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Supreme Court of the United States

OCTOBER TERM, 1948

No. 244

LIONEL G. OTT, COMMISSIONER OF PUBLIC
FINANCE AND EX-OFFICIO CITY TREASURER
OF THE CITY OF NEW ORLEANS, ET AL., APPEL-
LANTS,

vs.

MISSISSIPPI VALLEY BARGE LINE COMPANY,
AMERICAN BARGE LINE COMPANY AND UNION
BARGE LINE CORPORATION

APPEAL FROM THE UNITED STATES COURT OF APPEALS FOR THE
FIFTH CIRCUIT

FILED AUGUST 25, 1948.

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INDEX

	Original	Print
Proceedings in U. S. C. C. A., Fifth Circuit	2	1
Caption	2	1
Record from D. C. U. S., Eastern District of Louisiana, Case No. 12117	3	2
Caption and appearances	6	2
Complaint	8	3
Answer	12	6
Judgment	14	8
Notice of appeal	15	8
Order fixing supersedeas bond	16	9
Supersedeas bond	17	10
Designation of contents of record on appeal	18	11
Clerk's certificate (omitted in printing)	20	
Record from D. C. U. S., Eastern District of Louisiana, Case No. 12118 (omitted in printing)	21	

JUDD & DETWEILER (INC.), PRINTERS, WASHINGTON, D. C., NOV. 1, 1948.

Record from D. C. U. S., Eastern District of Louisiana, Case No. 12119	(omitted in printing)	43	
Record from D. C. U. S., Eastern District of Louisiana, Case No. 12120	(omitted in printing)	65	
Record from D. C. U. S., Eastern District of Louisiana, Case No. 12121	(omitted in printing)	88	
Record from D. C. U. S., Eastern District of Louisiana, Case No. 12122	(omitted in printing)	112	
Record from D. C. U. S., Eastern District of Louisiana, Case No. 12123	(omitted in printing)	135	
Record from D. C. U. S., Eastern District of Louisiana, Case No. 12125	(omitted in printing)	159	
Record from D. C. U. S., Eastern District of Louisiana, Case No. 12126		183	12
Caption	(omitted in printing)	186	
Complaint		187	13
Answer		195	18
Judgment	(omitted in printing)	200	
Notice of appeal	(omitted in printing)	201	
Order fixing supersedeas bond	(omitted in printing)	202	
Bond for costs on appeal	(omitted in printing)	203	
Designation of contents of record on appeal	(omitted in printing)	205	
Clerk's certificate	(omitted in printing)	206	
Record from D. C. U. S., Eastern District of Louisiana, Case No. 12116		207	24
Joint agreement and order as to printing records in companion cases on appeal and as to judgments		208	25
Caption		214	28
Complaint	(omitted in printing)	215	
Answer	(omitted in printing)	219	
Minute entry—Trial on merits, hearing in part and continuance		222	29
Minute entry—Further hearing and submission		224	30
Opinion, Caillouet, J.		225	31
Findings of fact and conclusions of law		271	55
Order correcting opinion		276	57
Judgment	(omitted in printing)	277	
Exhibit marked Huckaby III—Assessment valuation sheet, DeBardeleben-Coal Corporation, 1944 (omitted in printing)		278	
Condensed narrative statement of all testimony in vari- ous Barge Line Tax Cases consolidated for trial (By agreement of counsel)		279	58
Testimony of John C. Calhoun		280	58
J. Sterling Davis		284	61
Henry DeBardeleben (omitted in printing)		285	
Albert L. Wade (omitted in print- ing)		296	
E. G. Louis Guedry (omitted in printing)		301	

Record from D. C. U. S., Eastern District of Louisiana,
Case No. 12116—Continued

•Testimony of—Continued

	Original	Print
U. C. Taylor	302	62
P. B. Lansing	308	67
William S. Hay	309	68
Alfred S. Osbourne	312	71
Lawrence M. Baker	315	73
Alden W. Gee	316	73
Lowell L. French	316	73
Cavanagh T. Bayard	317	74
John A. McNiven	317	74
Frank P. Rivard	318	74
Capt. F. J. Aragon	318	74
E. B. McCary	319	75
Stipulation of Counsel that while the barges are moored in New Orleans, La., and other ports in Louisiana, no personnel is maintained by the Barge Line Companies on their barges	319	75
Admission that none of the stockholders, officers or directors of the American Barge Line Co., et al., reside in the State of Delaware, and that the Corporation Trust Co. in Delaware is used by the Corporations as agent for the service of process	319	76
Testimony of J. H. Cain	319	76
Sidney J. Mann	329	83
Charles C. Zatarain	335	87
H. H. Huekaby	341	92
John H. Fetzer	341	92
John J. Brennan	342	92
Notice of appeal	342	93
Order fixing supersedeas bond	343	93
Supersedeas bond	345	94
Designation of contents of record on appeal	347	96
Supplemental joint designation of contents of record on appeal	349	97
Statement of points relied on by appellants	350	98
Motion and order re exhibits to be transmitted in original form	353	100
Clerk's certificate (omitted in printing)	357	
Argument and submission, Case No. 12117	358	102
Argument and submission, Case No. 12118	359	102
Argument and submission, Case No. 12119	360	102
Argument and submission, Case No. 12120	361	103
Argument and submission, Case No. 12121	362	103
Argument and submission, Case No. 12122	363	103
Argument and submission, Case No. 12123	364	103
Argument and submission, Case No. 12125	365	104
Argument and submission, Case No. 12126	366	104
Opinion of the Court, Lee, J.	367	104
Judgment, Case No. 12117	381	114

	Original	Print
Judgment, Case No. 12118	381	115
Judgment, Case No. 12119	382	115
Judgment, Case No. 12120	382	116
Judgment, Case No. 12121	383	117
Judgment, Case No. 12122	384	117
Judgment, Case No. 12123	384	118
Judgment, Case No. 12125	385	119
Judgment, Case No. 12126	385	119
Petition for rehearing	387	120
Order denying rehearings	395	124
Petition for appeal	397	125
Assignments of error	399	127
Order allowing appeal	403	129
Citation and service (omitted in printing)	403	
Bond on appeal (omitted in printing)	408	
Praecipe for transcript of record	410	131
Clerk's certificate (omitted in printing)	413	
Statement of points to be relied upon and designation of parts of record to be printed	414	133
Order noting probable jurisdiction	419	136

[fols. 1-2]

**IN UNITED STATES CIRCUIT COURT OF APPEALS,
FIFTH JUDICIAL CIRCUIT**

Pleas and Proceedings had and done at a regular term of the United States Circuit Court of Appeals for the Fifth Circuit, begun on the third Monday in November, A. D. 1947, at New Orleans, Louisiana, before the Honorable Joseph C. Hutcheson, Jr., the Honorable Leon McCord, and the Honorable Elmo P. Lee, Circuit Judges:

Lionel G. Ott, Commissioner of Public Finance and Ex-Officio City Treasurer, Etc., appellant, vs. Mississippi Valley Barge Line Company, Appellee,

George Montgomery, State Tax Collector, Etc., appellant, vs. Mississippi Valley Barge Line Company, appellee,

Lionel G. Ott, Commissioner of Public Finance, and Ex-Officio City Treasurer, Etc., appellant, vs. American Barge Line Company, appellee,

George Montgomery, State Tax Collector, Etc., appellant, vs. American Barge Line Company, appellee,

Lionel G. Ott, Commissioner of Public Finance and Ex-Officio City Treasurer, Etc., appellant, vs. American Barge Line Company, appellee,

Lionel G. Ott, Commissioner of Public Finance and Ex-Officio City Treasurer, Etc., appellant, vs. Mississippi Valley Barge Line Company, appellee,

Lionel G. Ott, Commissioner of Public Finance and Ex-Officio City Treasurer, Etc., appellant, vs. Union Barge Line Corporation, appellee,

George Montgomery, State Tax Collector, Etc., appellant, vs. Mississippi Valley Barge Line Company, appellee,

George Montgomery, State Tax Collector, Etc., appellant, vs. American Barge Line Company, appellee.

Be it remembered, That heretofore, to-wit, on the 11th day of September, A. D. 1947, transcripts of the record in the above styled causes, pursuant to appeals from the District Court of the United States for the Eastern District of Louisiana, were filed in the office of the Clerk of the said United States Circuit Court of Appeals for the Fifth Circuit, which said transcripts were filed and docketed in said

Circuit Court of Appeals as Nos. 12117, 12118, 12119, 12120, 12121, 12122, 12123, 12125, and 12126, as follows, to-wit:

[fols. 3-5] IN THE UNITED STATES CIRCUIT COURT OF APPEALS,
FIFTH CIRCUIT

No. 12117

LIONEL G. OTT, Commissioner of Public Finance and Ex-
Officio City Treasurer, etc., Appellant,

versus

MISSISSIPPI VALLEY BARGE LINE COMPANY, Appellee.

Appeal from the District Court of the United States for the
Eastern District of Louisiana

[fols. 6-7] IN DISTRICT COURT OF THE UNITED STATES, EAST-
ERN DISTRICT OF LOUISIANA, NEW ORLEANS DIVISION

No. 845 (Civil Action)

MISSISSIPPI VALLEY BARGE LINE Co., Plaintiff-Appellee,

versus

JESS S. CAVE, City Treasurer, Defendant-Appellant

APPEARANCES:

Messrs. Fred^s S. LeBlanc, W. Charles Perrault, Bertrand
I. Cahn; Henry G. McCall, Alden W. Muller, Howard W.
Lenfant, Attorneys for Appellant.

Messrs. Lemle, Moreno & Lemle (Arthur A. Moreno, Edq.
& Selim B. Lemle, Edq.), Attorneys for Appellee.

Appeal from the District Court of the United States for the
Eastern District of Louisiana, to the United States Cir-
cuit Court of Appeals for the Fifth Circuit, returnable
within forty (40) days from the 13th day of January,
1947, at the City of New Orleans, Louisiana.

Extensions of time granted by the Honorable United
States District Court, Eastern District of Louisiana and
the Honorable United States Circuit Court of Appeals for
the Fifth Circuit, bringing the return day up to and in-
cluding the 10th day of September, 1947.

[fol. 8] IN UNITED STATES DISTRICT COURT

No. 845

[Title omitted]

COMPLAINT FOR RECOVERY OF TAXES PAID UNDER PROTEST—
Filed June 24, 1944

1

Plaintiff, Mississippi Valley Barge Line Company, is a corporation organized and existing under the laws of the State of Delaware and a citizen of that State, with its domicile in the City of Wilmington, Delaware. Defendant, Jess S. Cave, is the duly constituted and qualified Commissioner of Public Finance and Ex-Officio City Treasurer of the City of New Orleans, State of Louisiana, and is a citizen and resident of said State, being domiciled officially and actually in the City of New Orleans, Louisiana, within the New Orleans Division of this Honorable Court.

2

This suit is for a refund of taxes in the amount of \$11,373.21 paid under protest by plaintiff to defendant, with interest thereon. Jurisdiction is founded upon diversity of citizenship and the existence of a federal question as to the validity of said taxes, under the provisions of Section 24(1) of the Judicial Code of the United States (28 U. S. C. 41(1)).

3

The City of New Orleans is a duly incorporated municipality created and existing under the provisions of Act 159 of 1912 of the General Assembly of Louisiana, as amended.

4

Plaintiff is engaged, among other things, in the business of transporting merchandise and cargoes of various kinds [fol. 9] in interstate commerce between ports situated in Louisiana, Arkansas, Tennessee, Illinois, Kentucky, Ohio, and other states, and in connection with its said business, owns and operates certain towboats and barges, which it is using in this business of interstate transportation upon the navigable waters of the United States. These towboats

and barges have their taxing situs at the domicile of the plaintiff in Wilmington, Delaware, and have not acquired any situs in the State of Louisiana. The said towboats and barges are engaged continuously in the transportation of merchandise and cargoes of various sorts between the City of New Orleans and ports in other states and between points of origin and destination in other states, passing through the State of Louisiana en route, and are from time to time only temporarily in the State of Louisiana for the purpose of either loading or unloading cargo in said state or passing through the said state on interstate voyaged.

The Louisiana Taxing Commission is a body created for the purpose of fixing assessments on property having a situs in Louisiana and subject to the taxing power of that state.

The Louisiana Taxing Commission has assessed, as the property of plaintiff located in or having its situs, either legally or actually, in the State of Louisiana, the towboats and barges used by plaintiff in interstate commerce, as aforesaid, notwithstanding and against the protest of plaintiff that such marine equipment did not have any taxing situs in the state and was an instrumentality of interstate commerce and not subject to the taxing power of the State of Louisiana.

Based upon the illegal and unconstitutional assessment of said towboats and barges belonging to plaintiff by the [fol. 10] Louisiana Taxing Commission, the City of New Orleans has demanded and exacted of plaintiff payment of an ad valorem personal property tax for the year 1944, based upon such unlawful and unconstitutional assessment, and unless plaintiff had paid such tax, its property would have been seized and sold in satisfaction of the tax based upon such unlawful and unconstitutional assessment. Accordingly, under Act 330 of 1938, plaintiff, on the 29th day of May, 1944, paid to the said Jess S. Cave in his capacity as Commissioner of Public Finance and Ex-Officio City

5
Treasurer of the City of New Orleans, taxes in the sum of \$11,373.21, based upon said unlawful and unconstitutional assessment, and at the time of such payment protested in writing against the exaction of such tax as unlawful and unconstitutional, all as is more fully shown by a copy of said protest dated May 29, 1944, and a copy of a letter of John A. Barrett, Aide to the Commissioner of Public Finance, dated May 29, 1944, which are attached hereto and made part hereof.

8

The assessment for taxes of the aforesaid marine equipment belonging to plaintiff was and is void and unconstitutional as violative of Article I, Section 8 of the Constitution of the United States, as being a direct tax on interstate commerce, and is further violative of the 14th Amendment to the Constitution of the United States and Article I, Section 2 of the Bill of Rights of the Constitution of Louisiana, as taking the property of plaintiff without due process of law.

9

In the alternative only and in the event that the Court should find that said marine equipment, or any part thereof, has any taxing situs in the State of Louisiana, plaintiff avers that the method used by the Louisiana Taxing Commission in assessing the said marine equipment for ad valorem personal property taxes in Louisiana was incorrect and resulted in an excessive assessment and an excessive ad valorem property tax for the year 1944 by the City of New Orleans based thereon.

[fol. 11] The total ad valorem personal property tax levied by the City of New Orleans on the personal property of Mississippi Valley Barge Line Company for the year 1944 was the sum of \$12,839.60, all of which plaintiff paid to the City of New Orleans prior to the said tax having become delinquent, and plaintiff is entitled to recover the sum of \$11,373.21, which is that portion of the total of the tax aforesaid which is based upon the assessment of plaintiff's marine equipment, illegally assessed as aforesaid.

Wherefore, plaintiff demands judgement against defendant, Jess S. Cave, Commissioner of Public Finance and Ex-Officio City Treasurer of the City of New Orleans, in the sum

6
of \$11,373.21, with 2% per-annum interest from May 29, 1944 until paid, and for all costs.

(Sig.) Arthur A. Moreno, Selim B. Lemle, 625 Hibernia Bank Building, New Orleans, Louisiana, Attorneys for Mississippi Valley Barge Line Company.

Of Counsel:

Lemle, Moreno & Lemle, 625 Hibernia Bank Building, New Orleans, Louisiana.

[fol. 12] IN UNITED STATES DISTRICT COURT
(Number and Title Omitted)

ANSWER—Filed July 13, 1944

Now into Court comes Jess S. Cave, Commissioner of Public Finance of the City of New Orleans and for answer to plaintiff's complaint respectfully sets forth:

I.

For lack of sufficient information to justify a belief defendant denies the allegations of Paragraph 1 of plaintiff's complaint except as to the defendant's office, citizenship and residence, which is admitted.

II.

Defendant admits that this is a suit for refund of taxes, but denies the jurisdiction for lack of sufficient information to justify belief and denies the remainder of allegations of Paragraph 2 of plaintiff's complaint.

III.

Defendant admits the allegations of Paragraph 3 of plaintiff's complaint.

IV.

For lack of sufficient information to justify a belief defendant denies the allegations of Paragraph 4 of plaintiff's complaint, except as may be hereafter admitted.

7
V
Defendant admits the allegations of Paragraph 5 of plaintiff's complaint and further sets forth that the Louisiana Taxing Commission has the right and power to fix assessments on the property owned by plaintiff, and which is the subject of the tax herein.

VI

Defendant admits that the Louisiana Taxing Commission has assessed the said property of plaintiff in this State, but [fol. 13] denies for lack of sufficient information to justify a belief the allegations of protest mentioned therein, and other allegations contained therein.

VII

Defendant admits the allegations of Paragraph 7 of plaintiff's complaint, except that the taxes in question are based upon an illegal, unlawful and unconstitutional assessment which is expressly denied.

VIII

Defendant denies the allegations of Paragraph 8 of plaintiff's complaint.

IX

Defendant denies the allegations of Paragraph 9 of plaintiff's complaint.

X

Defendant admits the allegations of Paragraph 10 as to the amount of taxes paid by plaintiff, and time of payment, but denies the remainder of allegations of Paragraph 10 of plaintiff's complaint.

Wherefore, defendant prays that the plaintiff's complaint be dismissed at its cost; and for all general and equitable relief, etc.

(Sgd.) Francis P. Burns, City Attorney, Howard W. Lenfant, Assistant City Attorney, City Attorney; City of New Orleans, City Hall.

[fol. 14] IN UNITED STATES DISTRICT COURT

[Number and Title omitted]

JUDGMENT

This cause came on to be heard before the Court on January 14, 1946, and on January 15, 1946, and was argued by counsel, and thereupon upon consideration thereof:

It is ordered, adjudged and decreed, that there be judgment herein in favor of the Mississippi Valley Barge Line Company and against Lionel G. Ott, Commissioner of Public Finance and Ex-Officio Treasurer of the City of New Orleans, as substituted defendant for Jess S. Cave, Commissioner of Public Finance and Ex-Officio Treasurer of the City of New Orleans, in the sum of \$11,373.21, with interest at the rate of 2% per annum from May 29, 1944, until paid, and all costs.

October 16, 1946.

[fol. 15] IN THE DISTRICT COURT OF THE UNITED STATES FOR
THE EASTERN DISTRICT OF LOUISIANA, NEW ORLEANS
DIVISION

Civil Action No. 845

MISSISSIPPI VALLEY BARGE LINE COMPANY

VS.

JESS S. CAVE, Commissioner of Public Finance and
Ex-Officio City Treasurer

NOTICE OF APPEAL TO UNITED STATES CIRCUIT COURT OF
APPEALS FOR THE FIFTH CIRCUIT

To the Honorable Court Aforesaid:

Notice is hereby given that Lionel G. Ott, Commissioner of Public Finance and Ex-Officio City Treasurer of the City of New Orleans substituted Public Officer for Jess S. Cave, Commissioner of Public Finance and Ex-Officio City Treasurer of the City of New Orleans, defendant above named,

9

hereby appeals to the Circuit Court of Appeals for the Fifth Circuit from the final judgement entered in this action on October 16, 1946.

(Sig.) Henry G. McCall, City Attorney. Alden W. Muller, Assistant City Attorney. Howard W. Lenfant of Counsel, Attorneys for Appellant Lionel G. Ott, Room 203 City Hall, New Orleans, La.

New Orleans, La., January 13, 1947.

[fol. 16] IN UNITED STATES DISTRICT COURT

[Number and Title omitted]

ORDER FIXING SUPERSEDEAS BOND—Filed January 13, 1947

To the Honorable Court Aforesaid:

On motion of Lionel G. Ott, Commissioner of Public Finance and Ex-Officio City Treasurer of the City of New Orleans, substituted successor of Public Officer Jess S. Cave, appearing herein through undersigned counsel, and on suggesting to this Honorable Court that mover and defendant herein, the said Lionel G. Ott, in his said official capacity, desires to file a notice of appeal and also at the same time desires to file a supersedeas bond for stay of execution under judgment rendered by the Trial Court in this matter;

And on further suggesting to this Honorable Court that the money sought to be recovered in this cause is being kept separate and apart and segregated from the general funds of mover herein and is therefore amply secured in accordance with Rule 73 subsection (d) of the Federal Rules of Civil Procedure and that a supersedeas bond in the full amount of the judgment is therefore unnecessary.

It Is Ordered that defendant, Lionel G. Ott, in his said official capacity, mover herein, be and he is hereby authorized and permitted to file a supersedeas bond in the amount of Two Hundred Fifty Dollars (\$250.00) in the above numbered and entitled matter and that the execution of judgment be stayed in this matter to the same extent and pur-

pose as if a supersedeas bond had been given in the full amount of judgment rendered herein.

New Orleans, La., January 13, 1947.

(Sig.) Wayne G. Borah, Judge.

(Sig.) Henry G. McCall, City Attorney. (Sig.) Alden W. Muller, Assistant City Attorney. (Sig.) Howard W. Lefant, Of Counsel, for Mover and Defendant herein, Room 203, City Hall, New Orleans, La.

Plaintiff, Mississippi Valley Barge Line Company, through undersigned counsel, does hereby waive notice and hearing on the above motion and concurs therein and consents and agrees that supersedeas bond in the amount of \$250.00 is ample and sufficient in this matter.

(Sig.) Arthur A. Moreno, Attorneys for Plaintiff.

[fol. 17] IN UNITED STATES DISTRICT COURT

[Number and Title omitted]

SUPERSEDEAS BOND—Filed January 13, 1947

Know all men by these presents, that I, Lionel G. Ott, substituted Public Officer for Jess S. Cave, Commissioner of Public Finance and Ex-Officio City Treasurer of the City of New Orleans, as principal and American Employers' Insurance Co. of Boston, as surety, are held and firmly bound unto Mississippi Valley Barge Line Company, in the sum of Two Hundred Fifty Dollars (\$250.00) to be paid to the said Mississippi Valley Barge Line Company, its attorneys, successors and assigns, jointly and severally.

Sealed with our seals and dated this 13th day of January, 1947.

Whereas, on October 16, 1946, in an action in the District Court of the United States for the Eastern District of Louisiana, New Orleans Division, between Mississippi Valley Barge Line Company, plaintiff and Lionel G. Ott, defendant, a judgment was rendered against the said Lionel G. Ott and the said Lionel G. Ott has duly filed a notice of appeal from said judgment.

Now, the condition of this bond is that if the said Lionel G. Ott shall prosecute his appeal with effect and satisfy the

said judgment in full together with costs, interest, and damages for delay, if for any reason the appeal is dismissed or if the judgment is affirmed and satisfied in full or such modification of the judgment and such costs, interest, and damages as the Appellate Court may adjudge and award then this obligation to be void, otherwise to remain in full force and effect.

L. G. Ott, American Employers' Insurance Company, by Hilton Sandoz, Attorney-in-fact.

Witnesses: Alden W. Muller, Mildred C. Stoddard.

Approved this — day of —, 1947.

—, United States District Judge.

Hardin & Ferguson, Inc., W. Ferguson, Vice Pres.

[fol. 18] IN UNITED STATES DISTRICT COURT

DESIGNATION OF CONTENTS OF RECORD ON APPEAL—Filed
February 20, 1947

Clerk, United States District Court, Post Office Building,
New Orleans, Louisiana

In accordance with Rule 75 (f) of the Rules of Civil Procedure, Mississippi Valley Barge Line Company, through its attorneys, Lemle, Moreno & Lemle, Hibernia Bank Building, New Orleans, Louisiana, and Lionel G. Ott, Commissioner of Public Finance and Ex-Officio City Treasurer, substituted public officer to Jess S. Cave, through his attorneys, Henry G. McCall, Alden W. Muller and Howard W. Lenfant, City Hall, New Orleans, Louisiana, by joint stipulation, hereby designate to constitute the record of the proceedings herein for the transcript of appeal to be sent to the United States Circuit Court of Appeal, the following numbered pleadings and the motions, minutes, orders, and judgments hereinafter set forth:

1. Original Bill of Complaint, filed June 24, 1944.
2. Answer filed on July 13, 1944.
3. Minute entries appearing in submission on January 14, 1946, and January 15, 1946.

4. (Narrative of the evidence, findings of fact, conclusions of law, and order to enter judgment omitted, being incorporated in Civil Action 844, DeBardeleben Coal Corporation vs. Jess S. Cave, Commissioner of Public Finance and Ex-Officio City Treasurer.)

5. Judgment entered October 16, 1946.

6. Notice of appeal filed January 13, 1947.

7. Motion to fix supersedeas bond filed January 13, 1947.

8. Order permitting filing of supersedeas bond entered January 13, 1947.

[fol. 19] 9. Supersedeas bond of appeal filed January 15, 1947.

10. Joint designation of contents of record.

(Sig.) Arthur A. Moreno, Lemle, Moreno & Lemle, Attorneys for Mississippi Valley Barge Line Company, Appellee. Henry G. McCall (L.), Alden W. Muller (L.), Howard W. Lenfant, Attorneys for Lionel G. Ott, Commissioner of Public Finance and Ex-officio City Treasurer, Appellant.

[fols. 20-182] Clerk's Certificate to foregoing transcript omitted in printing.

[fols. 183-186] IN THE UNITED STATES CIRCUIT COURT OF
APPEALS, FIFTH CIRCUIT

No. 12126

GEORGE MONTGOMERY, State Tax Collector, etc., Appellant,

versus

AMERICAN BARGE LINE COMPANY, Appellee,

Appeal from the District Court of the United States for the
Eastern District of Louisiana

[fol. 187] IN UNITED STATES DISTRICT COURT

[Number & Title omitted]

COMPLAINT FOR RECOVERY OF TAXES PAID UNDER PROTEST—
Filed December 21, 1945

Plaintiff, American Barge Line Company, a corporation organized and existing under and by virtue of the laws of the State of Delaware, with its domicile in the City of Wilmington, Delaware, shows:

I. That defendant, George Montgomery is the duly appointed and qualified Tax Collector of the State of Louisiana, City of New Orleans, and is a citizen and resident of said State, being domiciled officially and actually in the City of New Orleans, Louisiana, within the New Orleans Division of this Honorable Court.

II. That this is a suit for refund of taxes in the amount of \$4,500.00 paid under protest by plaintiff to defendant, with interest thereon. Jurisdiction is founded upon diversity of citizenship and the existence of a federal question as to the validity of said taxes, under the provisions of Section 24 (1) of the Judicial Code of the United States (28 U. S. C. 41 (1)).

III. That plaintiff is engaged, among other things, in the business of transporting merchandise and cargoes of various kinds in interstate commerce, between ports situated in Pennsylvania, Louisiana, and intervening states, and, in connection with its said business, owns and operates certain towboats and barges which it is using in this business of interstate transportation upon the navigable waters of the United States.

IV. That the said towboats and barges are engaged continuously in the transportation of merchandise and cargoes of various kinds between the City of New Orleans and ports in other states, and are, from time to time, only temporarily in the State of Louisiana for the purposes of either loading or unloading cargo in, or passing through, the said State on interstate voyages.

V. That these towboats and barges have their taxing situs at the domicile of the plaintiff at Wilmington, Dela-

ware, and have not acquired any situs in the State of Louisiana.

VI. That the Louisiana Tax Commission is a body created for the purpose of fixing assessments on property having a situs in Louisiana and subject to the taxing power of that State.

VII. That the Louisiana Tax Commission has assessed, as the property of plaintiff located in, or having its situs, either legally or actually, in the State of Louisiana, the towboats and barges used by the plaintiff in interstate commerce, as aforesaid, notwithstanding and against the protest of plaintiff that such marine equipment did not have any taxing situs in the State and are instrumentalities of interstate commerce, and not subject to the taxing power of the State of Louisiana.

VIII. That the Louisiana Tax Commission has assessed [fol. 189] plaintiff's towboats and barges on a mileage basis, proportioned to the number of miles assumed to have been traversed by said towboats and barges in Louisiana, and assumed to have been traversed by said towboats and barges in other states.

IX. That the Louisiana Tax Commission had and has no knowledge of the number of miles traversed by said towboats and barges in the State of Louisiana, and had and has no knowledge of the number of miles traversed by said towboats and barges in other states.

X. That the Louisiana Tax Commission does not know and did not know at the time of the assessment whether or not all of the towboats and barges of plaintiff came into the State of Louisiana in the year 1944.

XI. That the Louisiana Tax Commission, either through the members of the said Commission, or through any of its employees, has never viewed, nor inspected said towboats and barges, nor has the Louisiana Tax Commission, nor any of its employees, appraised said towboats and barges to fix the true value thereof, but the Louisiana Tax Commission has assumed that each towboat is valued at \$50,000.00, and each barge at \$20,000.00, based upon the fact that other companies engaged in like business have returned some of their towboats at \$50,000.00, and their barges at \$20,000.00.

XII. That the Louisiana Tax Commission, in fixing these values, has placed an arbitrary valuation of \$20,000.00 on each barge without regard to whether some of the barges are worth more and some worth less and without any actual appraisement, but upon the simple assumption that the towboats and barges are worth exactly the same amount as the assessment of barges and towboats belonging to others [fol. 190] and without regard to the actual value of the property of plaintiff as ascertained by examination and appraisal.

XIII. That it has given to all the towboats and barges, without knowledge as to how many have come within the State, and how many have not come within the State, an arbitrary value and based upon that value, has assessed in Louisiana its towboats and barges at a valuation of \$400,000.00, as the proportionate value of the towboats and barges used in Louisiana, proportioned to the number of miles in Louisiana to the whole number of miles between Pittsburgh, Pennsylvania, and New Orleans, Louisiana; and between Cincinnati and New Orleans, between which points its towboats and barges operate.

XIV. That the Louisiana Tax Commission did not know and does not know what particular towboats and barges belonging to plaintiff enter the State of Louisiana, and how long said towboats and barges remain in the State of Louisiana.

XV. That the Louisiana Tax Commission does not know the mileage of these towboats and barges, or the mileage of any particular towboat and barge in the other states and in Louisiana, and does not know the total mileage of said towboats and barges throughout the routes of transportation traversed by said towboats and barges, and does not know by viewing and appraising the value of such property.

XVI. That the said assessment is arbitrary and capricious, because the Louisiana Tax Commission does not know the actual value of the towboats and barges of plaintiff, and is without power to assess on a mileage basis, and, even if it did have such power, is unable to state the mileage of [fol. 191] these barges and towboats in other states and the mileage in Louisiana.

XVII. That the Louisiana Tax Commission requested values of plaintiff's property used in Louisiana, but was

advised by plaintiff that its watercraft equipment was not subject to taxation in Louisiana, and because of that fact put an assessment of \$400,000.00 without viewing the towboats and barges and without putting a value on each.

XVIII. That because the Louisiana Tax Commission was not given the information it requested of plaintiff, it thereupon placed an arbitrary and capricious assessment upon the property of plaintiff.

XIX. That this assessment was based upon no known fact of the actual property in the State of Louisiana belonging to the plaintiff at the time of the assessment, but the assessment was made upon an arbitrary basis and without a knowledge of the property in Louisiana, or the value of said property, because of the refusal of plaintiff to furnish facts to the Louisiana Tax Commission as requested.

XX. That, as a matter of fact, much of the property belonging to plaintiff, and entering into the assessment of \$400,000.00, was never in the State of Louisiana.

XXI. That notwithstanding the Louisiana Tax Commission took the entire value of the towboats and barges of plaintiff, whether within or without the State of Louisiana, and based its assessment proportioned to an unknown mileage of said towboats and barges traversed in the State of Louisiana, fixed an assessment of \$400,000.00.

[fol. 192] XXII. That the assessment of the property of plaintiff was not based upon its status as of August 1, 1944.

XXIII. That if the Louisiana Tax Commission pretended to act under Act 59 of 1944, plaintiff avers that said Act is unconstitutional and in violation of the Constitution of Louisiana and the Fourteenth Amendment of the Constitution of the United States as taking the property of plaintiff without due process of law, because said Act permits the Louisiana Tax Commission to apply to the assessment of the property of plaintiff methods that are unreasonable, capricious and arbitrary, and to use standards of measurements of value which have no relationship whatsoever to the value of the property of the plaintiff for purposes of assessment.

XXIV. That said Act pretends to confer upon the Louisiana Tax Commission the power to use the property of plaintiff, situated in other States, and never coming into Louisi-

ana, as a measure of the tax, notwithstanding its towboats and barges are not part of an integrated system, but are individual entities, which are subject to valuation individually and without relationship to any other towboats or barges owned by plaintiff.

XXV. That based upon an assessment of said towboats and barges in the sum of \$400,000.00 made by the Louisiana Tax Commission, defendant, George Montgomery, in his capacity as State Tax Collector for the City of New Orleans, has demanded of plaintiff the payment of an ad valorem personal property tax for the year 1945, based upon the above described assessment of its towboats and barges.

XXVI. That unless plaintiff had paid, or would hereafter pay such tax, its property would have been seized and sold in satisfaction thereof, and accordingly plaintiff paid to the [fol. 193] said George Montgomery, State Tax Collector for the City of New Orleans, on the 14th day of December, 1945, the sum of \$4,500.00.

XXVII. That at the time of such payment, plaintiff protested in writing against its exaction as unlawful and unconstitutional and requested that the said George Montgomery, State Tax Collector for the City of New Orleans, segregate the said amount of money under the terms of Act 330 of 1938.

XXVIII. That the said George Montgomery, State Tax Collector for the City of New Orleans, as per copy of a letter dated December 17, 1945 advised plaintiff that the sum of \$4,500.00 would be segregated until a final determination of a suit, if any, which the plaintiff might bring.

XXIX. That the assessment for taxation of the aforesaid marine equipment was and is void and unconstitutional as violative of Article 1, Section 8, of the Constitution of the United States, as being a direct tax on interstate commerce and as a direct tax on an instrumentality of interstate commerce and a tax on the right to use the navigable waters of the United States for interstate commerce.

XXX. That the said assessment and the collection of taxes thereupon is violative of the 14th Amendment to the Constitution of the United States and Article 1, Section II, of the Bill of Rights of the Constitution of Louisiana, as

taking the property of plaintiff without due process of law, because the said property had never acquired a situs in Louisiana and has never become subject to the taxing power of the State of Louisiana.

XXXI. That even if said property had acquired a situs in Louisiana, and so subject to the taxing power of that [fol. 194] state, because of its situs, which is denied, plaintiff avers that said assessment was illegal, arbitrary and capricious as being founded upon no known fact of value, but was an assessment arbitrarily imposed upon plaintiff's property because of the claim by plaintiff that said property was not subject to taxation, and, consequently, no return of said property for taxation by the State of Louisiana could be rightfully demanded.

Wherefore, plaintiff demands judgment against defendant, George Montgomery, State Tax Collector for the City of New Orleans, for the sum of \$4,500.00 with 2% per annum interest from December 14, 1945 until paid, and for all costs.

(Sgd.) Arthur A. Moreno, Selim B. Lemle, Louis G. Lemle, Attorneys, American Barge Line Company.

625 Hibernia Building, New Orleans, Louisiana.

[fol. 195] IN UNITED STATES DISTRICT COURT

[Number and Title Omitted]

ANSWER—Filed November 11, 1946

To the Honorable Court Aforesaid:

Now into Court, through his undersigned counsel, comes George Montgomery, State Tax Collector for the City of New Orleans in his said official capacity, and for answer to the Plaintiffs complaint denies, all and singular, the allegations thereof, except such as may hereinafter be specifically admitted, and now answering said complaint Article for Article, avers and says:

I

The allegations of Article I of plaintiff's complaint are admitted.

II

Defendant admits that this is a suit for a refund of taxes but denies the remainder of the allegations of Article II of Plaintiff's complaint;

III

For lack of sufficient information to justify a belief with respect thereto, respondent denies the allegations of Article III of plaintiff's complaint except that certain towboats and barges belonging to the plaintiff are operating in navigable waters situated within the State of Louisiana, inclusive of the Port of New Orleans.

IV

For lack of sufficient information to justify a belief with respect thereto, respondent denies the allegations of Article IV of said complaint except that certain towboats and barges belonging to the plaintiff are operating in navigable waters situated within the State of Louisiana, inclusive of the Port of New Orleans.

V

Respondent denies the allegations of Article V of plaintiff's complaint.

VI

Respondent admits the allegations of Article VI of plaintiff's complaint, and further states that the Louisiana Tax Commission has the right and power to fix assessments on [fol. 196] the property owned by the plaintiff and which is the subject of the tax herein.

VII

Defendant admits the allegations of Article VII of Plaintiff's complaint and further avers and sets forth that the Louisiana Tax Commission has the right and power to fix assessments on the property owned by the Plaintiff and which is the subject of the tax herein questioned; that it is the duty imposed by law on said Louisiana Tax Commission to assess the property of the Plaintiff and that in so doing, it has complied with the Law of the State of Louisiana. As to the allegations and conclusions of law set forth in this Article of plaintiff's complaint, he is not required to make answer thereto.

VIII

Respondent admits the allegations of Article VIII of said complaint but avers that, if there is any error in the mileage, as computed by the Louisiana Tax Commission, such error was due to the refusal of the plaintiff to give said Commission any information at all concerning its property and the use thereof in and out of the State of Louisiana, and further avers that the plaintiff, by reason of its failure and refusal to make a return of its property to the Louisiana Tax Commission and to take any legal action to correct the same before the payment of the taxes levied, is now estopped from attacking said assessment on any ground other than the absence of the right of the State to tax the property at all, and said assessment must stand or fall as whole.

IX.

Respondent admits the allegations of Article IX of said complaint, but avers that, if it had a legal right to assess plaintiff's property at all, for purposes of taxation, the Louisiana Tax Commission had the right to base said assessment upon such information as was available to it, in view of the refusal of the plaintiff to make a return of its property or to furnish any information concerning it.

X

Respondent admits the allegations of Article X of said complaint, but avers that, if it had a legal right to assess plaintiff's property at all for purposes of taxation, the Louisiana Tax Commission had the right to base said assessment upon such information as was available to it, in view of the refusal of the plaintiff to make a return of its property or to furnish information concerning it.

XI

Respondent admits the allegations of Article XI of said complaint and avers that the Louisiana Tax Commission had the right to compute the assessment in the manner alleged for the reasons given in preceding articles of this answer.

XII

Aside from the allegations that the assessment of Plaintiff's property was an arbitrary one, which is denied, De-

defendant admits the allegations of said Article XII of the complaint and further answering states, that the Louisiana Tax Commission was compelled to make the assessment of Plaintiff's property according to its best judgment and in accordance with law, the Plaintiff having neglected, declined and refused to furnish the said Tax Commission with any information upon which any other assessment could be based, and accordingly the Plaintiff is estopped from complaining about both the method and the amount of the assessment upon which the tax was predicated.

[fol. 197]

XIII

Respondent admits the amount of the assessment, but denies it is an arbitrary assessment, and avers that it had a right to so compute the assessment complained of in view of plaintiff's conduct as averred in preceding articles of this answer; respondent denies the remainder of the allegations of Article XIII of Plaintiff's complaint for lack of sufficient information to justify a belief.

XIV

Respondent admits the allegations of Article XIV of said complaint.

XV

Respondent admits the allegations of Article XV of said complaint.

XVI

Respondent denies the allegations of Article XVI of said complaint.

XVII

Respondent admits the allegations of Article XVII of said complaint and avers that the Louisiana Tax Commission had the right to assess the property on the basis of available information and assessed the same on the mileage basis as authorized by Louisiana Act 170 of 1898, Sec. 29, as amended by Act 152 of 1932 (Dart's Statutes, Sec. 8370), as amended by Act 59 of 1944.

XVIII

Respondent denies the allegations of Article XVIII of said complaint and avers that the Louisiana Tax Commission could and did base its assessment of plaintiff's

property on information available to it, and that the plaintiff, for the reasons assigned in preceding Articles of this answer, has no right to attack the method employed in arriving at said assessment, but must confine its attack to the right of said commission to assess its property at all for purposes of taxation.

XIX

Answering Article XIX, Respondent avers that the same is but a reiteration of other allegations of the complaint and is denied for the reasons given in preceding article hereof.

XXI

Answering Article XXI, respondent admits that the Louisiana Tax Commission, in arriving at said assessment, used the entire value of the plaintiff's towboats and barges proportioned to the mileage of the same in the State of Louisiana, computed on the basis of information available to it and which may have been more accurate had the plaintiff not persisted in its refusal to give said Commission any information concerning its property and the mileage traversed by the same in and out of the State of Louisiana, but denies for lack of information that any of the property included in the assessment was never in the State of Louisiana, and reiterates his denial of plaintiff's right to reduce said assessment or to attack it for any reason other than the absence of the constitutional right of the State of Louisiana to tax the property at all.

[fol. 198]

XXII

Respondent denies the allegations of Article XXII of plaintiff's complaint.

XXIII

Respondent denies the allegations of Article XXIII of plaintiff's complaint.

XXIV

Answering Article XXIV of plaintiff's complaint, respondent avers that said act speaks for itself and denies the remainder of the allegations of this article for lack of sufficient information to justify a belief.

XXV

Respondent admits the allegations of Article XXV of plaintiff's complaint.

XXVI

Respondent admits the allegations of Article XXVI of plaintiff's complaint.

XXVII

Respondent admits the allegations of Article XXVII of plaintiff's complaint.

XXVIII

Respondent admits the allegations of Article XXVIII of plaintiff's complaint.

XXIX

Respondent denies the allegations of Article XXIX of plaintiff's complaint.

XXX

Respondent denies the allegations of Article XXX of plaintiff's complaint.

XXXI

Respondent denies the allegations of Article XXXI of plaintiff's complaint.

XXXII

Nor further answering, Defendant avers, on information and belief, that none of the Plaintiff's towboats and barges, subject to the estimate upon which the tax herein sued for was predicated and based, are not or ever have been in the State of Delaware and that Plaintiff is not now paying and has never paid to any other State, any taxes on said property, the sole and only taxes which were paid and collected were those paid under protest to the State of Louisiana, herein sought to be recovered and those paid to the City of New Orleans; the recovery of which is the basis of another suit in this Honorable Court.

[fols. 199-206] Wherefore Defendant prays that the Plaintiff's suit be dismissed at its costs and for general and equitable relief and for all need orders in the premises.

(Sig.) Fred S. LeBlanc, Attorney General of Louisiana, Baton Rouge, Louisiana, per Cahn. W. C. Perraut, Second Assistant Attorney General, Baton Rouge, Louisiana, per Cahn. Bertrand L. Cahn, Special Assistant Attorney General, New Orleans, Louisiana, Civil Courts Building.

Certificate of Service

I certify that a copy of the foregoing answer has been mailed, sufficient postage prepaid, to Mr. Arthur A. Moreno, opposing counsel, addressed to his office, 625 Hibernia Bank Building, New Orleans, Louisiana.

(Sig.) Bertrand I. Cahn, Attorney for Defendant,
Civil Courts Building, New Orleans, Louisiana.

[fol. 207] IN UNITED STATES CIRCUIT COURT OF APPEALS,
FIFTH CIRCUIT

No. 12116

LIONEL G. OTT, Commissioner of Public Finance and
Ex-Officio City Treasurer, etc., Appellant,

versus

DEBARDELEBEN COAL CORPORATION, Appellee

Appeal from the District Court of the United States for the
Eastern District of Louisiana

[fols. 208-210] **Joint Agreement and Order as to Printing
of Records in Companion Cases on Ap-
peal and as to Judgments—Filed October
1, 1947**

**IN THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE
FIFTH CIRCUIT**

No. 12116

DEBARDELEBEN COAL CORPORATION

versus /

**JESS S. CAVE, Commissioner of Public Finance and
Ex-Officio City Treasurer**

AND TEN (10) OTHER COMPANION CASES, VIZ:

No. 12117

MISSISSIPPI VALLEY BARGE LINE COMPANY

versus

**JESS S. CAVE, Commissioner of Public Finance and
Ex-Officio City Treasurer**

No. 12118

MISSISSIPPI VALLEY BARGE LINE COMPANY

versus

**GEORGE MONTGOMERY, State Tax Collector for the City of
New Orleans**

No. 12119

AMERICAN BARGE LINE COMPANY

versus

**JESS S. CAVE, Commissioner of Public Finance and
Ex-Officio City Treasurer**

AMERICAN BARGE LINE

versus

GEORGE MONTGOMERY, State Tax Collector for the City of
New Orleans

No. 12121

AMERICAN BARGE LINE COMPANY

versus

JESS S. CAVE, Commissioner of Public Finance and
Ex-Officio City Treasurer

No. 12122

MISSISSIPPI VALLEY BARGE LINE COMPANY

versus

JESS S. CAVE, Commissioner of Public Finance and
Ex-Officio City Treasurer

No. 12123

UNION BARGE LINE CORPORATION

versus

JESS S. CAVE, Commissioner of Public Finance and
Ex-Officio City Treasurer

No. 12124

DEBARDELEBEN COAL CORPORATION

versus

JESS S. CAVE, Commissioner of Public Finance and
Ex-Officio City Treasurer

[fol. 212]

No. 12125

MISSISSIPPI VALLEY BARGE LINE COMPANY

versus

GEORGE MONTGOMERY, State Tax Collector for the City of
New Orleans

No. 12126

AMERICAN BARGE LINE COMPANY

versus

GEORGE MONTGOMERY, State Tax Collector for the City of
New Orleans

STIPULATION

Since the above cases present the same questions of law and similar questions of fact, and since they were consolidated for hearing before the United States District Court and were disposed of by the District Court in one opinion, it is stipulated and agreed by and between the parties hereto, by and through their respective attorneys of record, that with the permission of this Honorable Court, which is hereby prayed for, the above numbered and entitled eleven cases shall be consolidated for briefing and hearing in this Court, and that the record in only one case, that of De-Bardeleben Coal Corporation vs. Jess S. Cave, Commissioner of Public Finance and Ex-Officio City Treasurer, Circuit Court of Appeal Docket No. 12116, shall be printed; and it is further agreed that separate judgments be rendered in each of the above numbered and entitled eleven causes based upon the Court's findings of fact as applied to each case and the law applicable thereto.

[fol. 213] Thus Done and Signed in Duplicate at New Orleans this 25th day of September, 1947 A. D.

(Signed) Arthur A. Moreno, Attorney for Plaintiffs and Appellees, Hibernia Bank Building, New Orleans, La.; Henry G. McCall (L), Alden W. Muller (L), Fred S. LeBlanc (L), H. C. Perrault (L), B. I. Cahn (L), H. W. Lenfant, Attorneys for Defendants and Appellants, Room 203, City Hall, New Orleans, La.

ORDER

It Is Ordered by the Court, that the above numbered and entitled eleven causes be consolidated for briefing and hearing; that the record is only one cause that of DeBardeleben Coal Corporation vs. Jess S. Cave, Commissioner of Public Finance and Ex-Officio City Treasurer, Circuit Court of Appeal Docket No. 12116, shall be printed; and that separate judgments be rendered in each of the above numbered and entitled eleven causes based upon the findings of fact as applicable in each of these respective causes and the law applicable thereto.

(Signed) J. C. Hutcheson, Jr.; Judge, United States Circuit Court of Appeals for the Fifth Circuit.

September 30, 1947.

[fols. 214-221] IN DISTRICT COURT OF THE UNITED STATES,
EASTERN DISTRICT OF LOUISIANA, NEW ORLEANS DIVISION

No. 844 (Civil Action)

DEBARDELEBEN COAL CORPORATION, Plaintiff-Appellee,

vs.

JESS S. CAVE, City Treasurer, Defendant-Appellant

APPEARANCES:

Messrs. Fred S. LeBlanc, W. Charles Perrault, Bertrand I. Cahn, Henry G. McCall, Alden W. Muller, Howard W. Lenfant, Attorneys for Appellant.

Messrs. Lemle, Moreno & Lemle (Arthur A. Moreno, Esq., & Selim B. Lemle, Esq.), Attorneys for Appellee.

Appeal from the District Court of the United States for the Eastern District of Louisiana, to the United States Circuit Court of Appeals for the Fifth Circuit, returnable within forty (40) days from the 13th day of January, 1947, at the City of New Orleans, Louisiana

Extensions of time granted by the Honorable United States District Court, Eastern District of Louisiana and the Honorable United States Circuit Court of Appeals for the Fifth Circuit, bringing the return day up to and including September 10th, 1947.

[fol. 222] IN UNITED STATES DISTRICT COURT

[Number and Title Omitted]

Extract from the Minutes

January 14th, 1947

TRIAL ON MERITS, HEARING IN PART AND CONTINUANCE

CAILLOUET, J.

The above consolidated causes came on this day for trial before the Court on the merits;

Present: Arthur A. Moreno, Esq., John R. Johnson, Esq., Attorneys for the Plaintiff;

Howard W. Lenfant, Esq., Assistant City Attorney appearing on behalf of Jesse S. Cave, Commissioner of Public Finance, City of New Orleans;

W. C. Perrault, Esq., Assistant Attorney General, State of La., appearing on behalf of George Montgomery, State Tax Collector, defendants.

Whereupon, by agreement of counsel and with consent of the Court, it was stipulated that cause No. 1188 Civil Action, entitled Union Barge Line Corporation versus Jess S. Cave, Commissioner of Public Finance, City of New Orleans, should be included in the trial of the above consolidated causes.

Thereupon, after hearing statements of counsel for the respective parties, the following named witnesses were [fol. 223] called, sworn by the deputy clerk, and testified on behalf of the plaintiff:

J. H. Kane
Chas. C. Zatarain
Hunter H. Huckaby
John H. Fetzer

Sidney J. Mann
John J. Brennan
John C. Calhoun
J. Sterling Davis

and, after hearing the evidence and testimony offered on behalf of the plaintiff, counsel for said plaintiffs, produced, offered and with leave of Court, filed transcripts of testimony of the following witnesses:

G. C. Taylor
P. B. Lansing

Henry F. DeBardeleben
E. G. Louis Guidry

Whereupon, counsel for plaintiffs asked leave of the Court to amend the complaint of the Union Barge Line Corporation to show that the corporation is a Pennsylvania Corporation, instead of a Delaware Corporation, and counsel for defendants offering no objection thereto, leave is granted.

Counsel for the plaintiffs then announced that they would close their evidence and testimony in chief, and it was ordered that the cause be continued until tomorrow at 10:00 o'clock A. M. for further proceedings.

[fol. 224] IN UNITED STATES DISTRICT COURT

[Number and Title Omitted]

Extract from the Minutes

January 15th, 1946

FURTHER HEARING AND SUBMISSION

CAHENQUET, J.

This consolidated cause, as continued from yesterday, was this day resumed. Counsel for the respective parties all being present, the trial was proceeded with.

Whereupon, the following witnesses, being sworn by the Deputy Clerk of Court, testified on behalf of defendants:

Calvin T. Bayard,
John A. McNiveu,
Frank B. Rivard,

Capt. F. G. Aragon,
E. B. McCary.

Whereupon, at the conclusion of the evidence and testimony offered on behalf of the defendants, counsel for the respective parties announced to the Court that they would rest.

Whereupon, counsel for plaintiff, in the case of Union Barge Line Corp., versus Jess S. Cave, Commissioner of Public Finance, No. 1188 Civil Action, announced to the Court, that although this matter was not on trial, that all the issues were identical and requested leave to include this case for decision with the cases on trial herein this day, and counsel for the other parties being present, and

agreeing thereto, it was ordered that this cause be considered [fol. 225] consolidated with all other causes and submitted.

Thereupon, it was ordered by the Court, that plaintiff have ~~until~~ January 31, 1946 at 12:00 o'clock noon to file briefs and that defendants have until February 11, 1946, at 12:00 o'clock noon to file reply briefs; this matter not to be considered submitted until all briefs are filed in the Clerk's Office.

IN UNITED STATES DISTRICT COURT

Consolidation

[Number and Title Omitted]

OPINION—Filed September 5, 1946

CAILLOUET, J.:

These eight suits were consolidated for the purpose of trial, the pleadings in each being, substantially, of the same general pattern.

Each one of the four plaintiffs in interest in said suits seek to recover from the Commissioner of Public Finance and ex-officio Treasurer of the City of New Orleans, and from the State Tax Collector for the City of New Orleans, respectively, a stated sum of money paid, under protest, in settlement of claimed ad valorem taxes levied under assessments made by the Louisiana Tax Commission, upon and against certain watercraft of the plaintiff in interest. Each such plaintiff, resisting payment, having availed itself of the provisions of the Act No. 330 of 1938 (6 Dart Louisiana General Statutes, 8444.1-8444.3), and the sum paid, in each instance, having been duly segregated and being still so held, pending the outcome of the particular suit relating thereto.

[fol. 226] The original defendant Commissioner of Public Finance and ex-officio City Treasurer, in four of said eight suits, having been succeeded in office by Lionel G. Ott, substitution was effected in due course, under the provisions of Rule 25 (d) of the Federal Rules of Civil Procedure, and each plaintiff now seeks judgment against said substituted officer, in lieu and in stead of Jess S. Cave, whose term of office has expired.

At the trial, the parties stipulated that the decision reached herein shall be controlling in like suits filed by the plaintiffs, respectively, relative to collected "taxes" of 1945.

In each suit, the plaintiff in interest contends that its corporate domicile is beyond the borders of the State of Louisiana and that none of its "taxed" property, all of which plaintiff operates in interstate commerce traffic upon navigable waters of the United States, has ever acquired a situs within this State.

It is uncontroverted that none of the watercraft of either the American Barge Line Company, DeBardeleben Coal Corporation, and Mississippi Valley Barge Line Company was ever physically present within Delaware, the State of their incorporation, but some, if not all, of the "taxed" property of the Union Barge Line Corporation was so present within Pennsylvania, under whose laws this particular plaintiff was created and enjoys corporate existence, as is made to appear by said plaintiff's amended complaint and the evidence.

The complaints all aver, substantially, that the assessment of plaintiffs' respective watercraft and marine equipment by the Louisiana Tax Commission was without authority of law because said tangible property had no tax situs [fol. 227] within the State of Louisiana, having only repeatedly come into the State as occasion demanded while in interstate commerce movements, and for that purpose alone, and having remained in Louisiana only so long as such interstate commerce operations on the State's navigable waters made necessary.

Furthermore, plaintiffs allege that all such assessments so made by said Tax Commission were otherwise illegal in that they were predicated on a mileage basis, arrived at by assuming a certain number of miles to have been traveled by plaintiffs' respective watercraft during the tax year on the navigable waters of Louisiana and likewise assuming, by contract, a certain mileage traveled by said marine equipment beyond the borders of the State, and then establishing, proportionately, the tax claimed to be due in Louisiana; said Tax Commission not having known, in any instance, the actual mileage traveled, nor having known whether or not all of the watercraft and marine equipment of the plaintiff in interest had come into the State of Louisiana during said tax year.

Plaintiffs also plead and urge that all such assessments were furthermore capricious and arbitrary, because they were actually made without knowledge of the value of any of the "taxed" property and rested solely upon the assumed existence of arbitrarily adopted values; and, finally, that the assessment and collection of the taxes, which plaintiffs now seek to recover, were and are unconstitutional, inasmuch as the same violates the 14th Amendment to the Constitution of the United States, and Article 1, Section 2, of the Bill of Rights of the Constitution of Louisiana, by taking property without due process of law. [fol. 228] To all of which contentions, defendants make reply, substantially, as follows:—the taxes collected impose no unconstitutional burden upon interstate commerce; their assessment and collection do not violate the constitutional requirement of due process; the Tax Commission's criticized manner of assessing was resorted to, because the plaintiffs arbitrarily withheld pertinent information from the Commission when requested by it to supply the same for the purpose of assessment; the method of assessment adopted was in compliance with the provisions of the amended Section 29 of Act 152 of 1932 (6 Dart Louisiana General Statutes, § 8370), which direct that "rolling-stock or movable property of any railroad company, telegraph company, canal company or other transportation company, whose line lies partly within this state and partly within another state, or states, or whose sleeping cars run over any line lying partly within this state or partly within another state or states, shall be assessed in this state in the ratio which the number of miles of the line within the state has to the total number of miles of the entire lines."

Subsequent to the trial, the cause was re-opened upon joint request of the parties, for the purpose of admitting as evidence their written stipulation to the effect that:

"The Louisiana Tax Commission, in accordance with Louisiana Law, preparatory to making an assessment on the watercraft equipment of each of the plaintiff corporation, requested definite information from each corporation as to the number of their watercraft, the value of each vessel, the total mileage travelled by said watercraft in Louisiana waters during the taxable years in question, as compared to the total mileage traversed by

said watercraft during the said taxable years, and other pertinent information in connection therewith and in [fol. 229] each case the plaintiff corporations refused to furnish this specific information, whereupon the Louisiana Tax Commission assessed, based upon the best information available to the said commission, as shown by the testimony of J. H. Cain, C. C. Zatarain, H. H. Huckaby, John H. Fetzer and Sidney J. Mann, the total valuation of the watercraft owned by said plaintiff corporations and allotted to Louisiana a percentage thereof which the Louisiana Tax Commission believed to be the correct proportion of the mileage traversed by said water craft in Louisiana as compared to the mileage traversed over the entire water route of said plaintiff corporation."

Considering the stipulation entered into between the parties and the testimony adduced from witnesses at the trial (or produced thereat by depositions), as well as the documentary evidence forming part of the respective records, it is found that the paid taxes sought to be recovered are those relating to the years 1944 and 1945; except that, as to Union, the taxes involved are those of 1945.

The following other facts are likewise found, viz:

(1) The American Barge Line Company, which will hereafter be referred to simply as American, while the names of the remaining three plaintiffs, for the like reason of brevity and convenience, will be written: Mississippi Valley; Union, and DeBardeleben, respectively, is, as previously stated, a Delaware corporation, and so are Mississippi Valley and DeBardeleben. None of the stockholders of either American or Mississippi Valley reside in Delaware, and the great majority of the DeBardeleben stockholders are likewise non-residents thereof. None of the officers and directors of either of said three named [fol. 230] corporations reside in Delaware, but the designated agent of each for the service of process in that State, Trust Corporation of Delaware, is there domiciled.

Union is a corporation organized and existing under the laws of Pennsylvania, with its domicile in the City of Pittsburgh, said State, where it maintains its principal business office.

Each of the four named corporations are lawfully engaged in transportation of freight upon inland waters of the United States, under authority of a certificate of

public necessity and convenience issued to each by the Interstate Commerce Commission.

The "taxed" towboats of American and DeBardeleben are enrolled under the United States shipping regulations pertaining to vessels engaged in domestic commerce (Title 46, Chap. 12, U. S. C. A.) at Wilmington, Delaware, and there, too, they have voluntarily registered their barges; while the towboats of Union are enrolled at Pittsburgh, and the watercraft of Mississippi Valley are enrolled at St. Louis, Missouri. But this has little or no bearing, as concerns the place of taxation. (51 Am. Jur. (1944), 913, pp. 807-809.)

Under neither Delaware nor Pennsylvania law, is such marine equipment ~~as is used in interstate commerce~~ by American, Mississippi Valley, DeBardeleben, and Union, respectively, subject to state taxation.

(2) The towboats of American regularly operate between Pittsburgh and New Orleans, and occasionally make a trip from St. Louis to New Orleans. Its barges ply on the Mississippi and Ohio Rivers, between Pittsburgh and New Orleans, and up the Cumberland, the [fol. 231] Tennessee, the Monongahela and Kanawha Rivers, they operate, also, between Pittsburgh and Palmyra, Arkansas, and on the Intracoastal Canal.

Steel products originating in the Pittsburgh territory generally compose the downstream cargoes of American, whether destined for, say, Louisville, Kentucky, Memphis, Tennessee, New Orleans, on the Mississippi River, or Houston, Texas, on the Intracoastal Canal.

American has no warehouse at New Orleans, no stevedoring department, and operates no terminal there, as it does at Glassport, Pennsylvania, and at Louisville and Memphis, respectively. In its operations beyond New Orleans, it transfers loaded barges to the motive power of like water transportation services.

All of its downstream tows it delivers to Whiteman's Landing, Algiers, on the west bank of the Mississippi, in New Orleans, and from this point leaves on all of its upstream return trips.

Cargo consigned to New Orleans is then transferred from Whiteman's Landing to city docks (at whatever space thereon indicated by the respective consignee) and there unloaded by Mississippi Valley, under an arrange-

ment between it and American, but when a particular cargo is destined for a point beyond New Orleans, the carrying barge or barges are picked up at the Landing by a vessel making the Intracoastal canal trip towards Houston, for instance, or, perhaps, by one proceeding further down the Mississippi to Port Sulphur or other nearby river point; none of which, American owns or operates.

[fol. 232] In the steady flow of interstate commerce so moved by American as far south as New Orleans, several towboats and many barges are used. One towboat may start a trip from Pittsburgh only to be substituted by one or more towboats on the way south, and some or all of the loaded barges making up the initial tow may be delivered to consignees at intervening ports, such as Louisville, Memphis, and Palmyra, Arkansas, to be replaced by loaded barges there awaiting transportation downstream, so that no special towboat or barge is allocated to service on any particular leg of the voyage, and barges are made available as and where tonnage is offered for transportation. The tow load on any trip is always maintained, as nearly as practicable, of such number of barges and cargo weight as insures the towboat's pushing ahead at maximum efficiency.

All of the foregoing holds true, likewise, on return or upstream trips from New Orleans.

Now towboat is permitted to remain in port any longer than is necessary to deliver cargo and to take on barges; at New Orleans, no longer than it takes to break up the downstream tow at Whiteman's Landing, and to then make up a tow for the return trip up the Mississippi.

There is sometimes a slight delay awaiting the delivery of loaded barges for the return trip, because seldom are empties towed upstream but some are sent down to New Orleans to load northward-bound tonnage offered. But consistent effort is made to expedite all return trips, inasmuch as it is only by keeping the watercraft on the move that money is made, as American's acting superintendent of transportation expressed it in testifying.

[fol. 233] Petroleum products, in the main, constitute American's upstream tows, although there are cargoes of alcohol and sugar. These cargoes are assembled at Whiteman's Landing, delivery being effected there from Texas

and Louisiana points, for their inclusion in American's upstream operations.

American, by means of its wholly-owned subsidiary, Jeffersonville Boat and Machine Works, with plant located at Jeffersonville, Indiana, across the Ohio River from Louisville, Kentucky, where American maintains its chief business office, employing no less than 25 persons, does all general repair and overhaul work upon its marine equipment, but emergency repairs on a trip are necessarily done at the nearest boatways available.

In 1943 and 1944 American maintained a constant heavy traffic to and from New Orleans. It owned slightly less than 200 barges and 10 towboats, 9 of which were kept in operation, but 4 of them never came to New Orleans, and neither did some of its barges, but others did come rather constantly. In 1944 American added under charter from the Defense Plant Corporation, 4 towboats and 40 barges to its marine equipment so being used in interstate commerce.

In 1943, American's total tonnage loaded and unloaded at various ports of call was 977,705.57 tons, 72,504.61 of which were loaded on at New Orleans, and 33,647.77 unloaded. In addition to this, there were assembled at Whiteman's Landing for American's upstream tows 18,732.63 tons, loaded at two points south of New Orleans, and 120,973.62 tons loaded at Intracoastal Canal points all the way to Houston, Texas. The total loadings leaving New Orleans in American's upstream traffic aggregated, therefore, 212,210.86 tons of the total tonnage transported in 1943, [fol. 224] or about 22% thereof. The actual loadings at New Orleans approximated 7%. (Exhibit No. 5.)

Of the total time covered by their interstate commerce operations of 1943, American's towboats spent no more than approximately 3.8% thereof within the boundaries of Louisiana.

Only five of its own tow boats moved in and out of the State, to which must be added the Java Sea, taken over, under charter, on November 24, 1943.

The schedule of time spent at the Port of New Orleans by American's said five vessels during that year shows the following state of facts, viz:

The "Jefferson" was in one or more Louisiana ports, in all months except February and April, for a total of 33 days, 7 hours, and 45 minutes, 24 hours, 7 hours, and

30 minutes of which were spent in making repairs, leaving 9 hours and 15 minutes for the vessel's usual activities such as dropping and picking up barges, taking on supplies, water, fuel, pumping out barges, etc.

The "National", in 6 months, i. e.:—April, June, August, September, October and November, for 9 days, 3 hours, and 15 minutes,—4 days, 4 hours, and 45 minutes thereof in making repairs; thus leaving but 4 days, 22 hours and 30 minutes for all other purposes.

The "Patriot" in 6 months, i. e.:—April, May, June, July, August and September, for 11 days, 10 hours, and 15 minutes,—7 days, 23 hours, and 15 minutes thereof in making repairs; leaving 3 days and 11 hours for all other purposes.

[fol. 235] The "Pioneer", in each of the 12 months, for 49 days, 7 hours, and 5 minutes,—24 days, 13 hours, and 45 minutes in making repairs; leaving 24 days, 17 hours, and 20 minutes for all other purposes.

The "Progress", in 8 months, i. e.:—February, March, April, June, July, October, November and December, for 22 days, 3 hours, and 15 minutes,—15 days, 18 hours and 10 minutes thereof in making repairs; leaving 6 days, 9 hours and 5 minutes for all other purposes.

In 1944, American made 73 such "in and out" trips, having chartered four more Defense Plant Corporation power vessels, and some forty odd barges, for use in its interstate commerce transportation service.

While in port at New Orleans, American's marine equipment has the benefit of such fire protection as is afforded all wharves, whether publicly operated at dock charges or privately maintained upon leased banks, and all watercraft moored to any of said wharves; as well as of harbor police surveillance, and of all sanitary regulations of State and City Boards of Health; but this presents no more favorable situation, so far as concerns American's interests, than exists in all like river ports which it serves, except that the Dock Board does operate two fire tugs, one of which helped to quench a fire on the tow-barge "Pioneer", in 1943, when the whole of that vessel's galley burned; which necessitated the vessel's remaining in port for 24 days thereafter, in order to effect the galley's replacement before commencement of the usual journey with a tow.

The same benefits are likewise shared by Mississippi Valley, Union and DeBardeleben, to greater or lesser degree, dependent upon their movements in and about the Port of New Orleans.

[fol:236] American never engages in Louisiana intrastate commerce operations; nor do Mississippi Valley, Union and DeBardeleben.

(3) Mississippi Valley owns 80 barges and 4 towboats, i.e. the Ohio, Indiana, Tennessee, and the Louisiana, with which it ordinarily carries on its interstate commerce transportation as a public carrier, but as increased volume of tonnage is offered at times, or in other like contingencies, temporarily chartered towboats and barges are added to the working fleet. Considering the overall period, an average of 2 to 3 towboats were so chartered and operated in 1943, and, in like manner, barges to the number of slightly less than the 80 barges owned.

No fixed number of barges or towboats, nor particular barges or boats, as such, are ever allocated to any special area within the territory covered by Mississippi Valley's water transportation operations, which begin at Pittsburgh, on the East, at St. Louis, on the west, and continue downstream to New Orleans, serving all intervening ports, including Cincinnati, Ohio, Evansville, Indiana, Louisville, Kentucky, Cairo, Illinois, Memphis, Tennessee, Vicksburg, Mississippi, and Baton Rouge, Louisiana.

Besides maintaining this regular water transportation service, Mississippi Valley also operates, on occasion, as far north as Minneapolis and on some of the tributaries of the upper Mississippi.

Usually, such barges as are unloaded at any point in discharge, are loaded at once with cargo offered for transportation, to be picked up by the next upstream or downstream tow passing by; but when it is known in advance that surplus tonnage awaits transportation on an outbound trip, all available extra equipment is dispatched to that particular terminal. Whenever empties are on hand because of lack of cargo offered, and a passing tow is sufficiently light to profitably haul the barges to other points in need of them, they are so transferred; this is done, for instance, whenever movement of cargo into New Orleans, for any period, consistently exceeds the quantity carried out on

return trips northward. Depending upon the season of the year, this process is reversed, at times.

Simply stated, boats and barges are supplied to move cargo whenever offered—no particular towboat or barge—the quantity and kind of cargo indicating however, whether large or small barges, or open or closed barges, are needed.

The sole and only purpose of Mississippi Valley's watercraft coming into Louisiana, past Baton Rouge into New Orleans, from which terminal point such towboats and barges return northward, is to deliver cargo carried in interstate commerce from out of Louisiana to Louisiana points north of New Orleans, and to the Port of New Orleans. A constant water transportation service is maintained and in 1943,—as it has been in all of the past several years,—Mississippi Valley tows arrived at New Orleans once a week or oftener. No barges are ever picked up at Baton Rouge or other Louisiana point for delivery to New Orleans; nor at New Orleans, for any Louisiana port. Loaded barges in a downstream tow are dropped at Baton Rouge, where they remain until unloaded and picked up loaded or empty on the next succeeding return trip northward. Occasionally, as required for loading surplus tonnage offered, empties are dropped at Baton Rouge. No towboat remains at that port any longer than is necessary to tie off or pick up a barge.

[fol. 238] Mississippi Valley's towboats do not travel the same route with regularity and, for instance, during a given period one or more of the boats may not come down the Mississippi as far as New Orleans, while one or more are repeating trips to the port without interruption; and barges made up in a tow, either at Pittsburgh or St. Louis, may all be dropped at intervening river points, as other loaded barges are picked up to replace them, so that the delivered tow at New Orleans may be one that has been wholly made up en route and is being pushed by other than the boat that started out on the downstream towing trip.

It is the constant aim of Mississippi Valley to unload cargo at point of destination without delay and to immediately re-load the emptied barge with available outbound cargo, so that the same may leave port on the first return trip if the loading is complete, or no later than the second, if not. When a tow reaches New Orleans, or other like terminus, the inbound tow is tied off in two units, the towboat takes on fuel, picks up the loaded outbound tow.

which awaited its coming, and immediately proceeds out of port. On occasion, however, because of limited cargo offerings, there may be delay in making up a full tow, consequently retarding the outbound trip.

But the ordinary maximum period that any towboat remains in the port of New Orleans is 12 to 48 hours, depending upon whether or not it is in need of emergency repairs. Every possible effort is made to keep the company's watercraft on the move for the greatest number of days a year inasmuch as it earns nothing when tied up. No equipment is ever laid up at any port except for temporary repairs or while awaiting outbound cargo, if not moved to another port where it is known to be more needed. At New Orleans, unless early need of an empty barge is anticipated, the same is moved to another point in order to avoid [fol. 239] accruing wharfage; and empties are moved, at times, all the way from New Orleans to Cincinnati, or in reverse direction, depending upon how the bulk of water traffic is moving at the particular season of the year. Whenever there is no need of a particular boat or barge, necessitating its being laid-up,—the vessel in question is usually tied up in Mississippi Valley's fleet at Cincinnati.

It may here be observed that, according to the evidence, the usual round-trip voyage between Cincinnati and New Orleans consumes thirty-five days.

Mississippi Valley operates a general repair shop at Cincinnati, where its boats and barges are ordinarily repaired and overhauled, except that, as a matter of course, running or emergency repairs are made wherever they are found necessary; and because Cincinnati has no drydock facilities whatever, as have Pittsburgh, St. Louis and New Orleans, whenever there is need of putting a vessel in drydock to make repairs, the same is done where the facilities therefor are more readily available, but mainly at New Orleans, or Pittsburgh.

At New Orleans, Mississippi Valley employs a maintenance man who looks after the making of all necessary temporary repairs. Those are only such as must be made to enable the affected equipment to move out of the port. If repairs are needed but the trip to Cincinnati may, nevertheless, be safely undertaken, repairing is delayed until that port is reached.

At Cincinnati, St. Louis, Cairo, Memphis, and New Orleans, Mississippi Valley maintains its own terminals where

it discharges and takes on cargo. At other ports, such as Baton Rouge, Vicksburg, Louisville, Evansville, and Pitts-[fol. 240] burgh, it makes use of public terminal facilities.

New Orleans, inasmuch as it is a port through which is shipped freight in foreign trade—of which there was considerable in 1943 and 1944 because of war conditions—receives the greatest volume of Mississippi Valley's tonnage. A portion of the same is destined for New Orleans Consignees, a part is loaded on oceangoing vessels, and some of its loaded barges are transferred to other motive power in uninterrupted towing operations westward by connecting lines, through the Intracoastal Canal, to points of destination in Louisiana or Texas.

Nevertheless, Mississippi Valley's "taxed" marine equipment rested in the port of New Orleans no more—of the total time possible—than as follows, viz:—In 1943, the four towboats, an aggregate of approximately 17.25%, and the barges, an aggregate of approximately 12.7%. In 1944, by contrast, the towboats, approximately 10.2%, and the barges, approximately 17.5%.

Mississippi Valley's terminal facilities at New Orleans have been located, for the past 15 years, on the Industrial Canal at the Galvez Street wharf, where it occupies dock space, four hundred feet in width, allocated to it by the Dock Board, on a preferential basis, but this does not mean that its occupancy is exclusive since the Board may assign, in emergencies, part of such space to others as has been done on occasions when occupied areas were available for such assignment. The company maintains its dock office there, in its own structure, and the necessary tractors, trailers, derricks and cranes for loading and unloading of cargo; and maintains, also, a "business solicitation" office in downtown New Orleans; seven or eight persons being employed at the dock office, and four at the other.

[fol. 241] In St. Louis, Mississippi Valley conducts its home, or main, office which is staffed by fifty persons. Both there and at New Orleans, the company has other employees—dock laborers, hired by the hour to load and unload cargo, although a few are employed by the month at fixed salaries. The stevedoring operations at St. Louis, Cincinnati and New Orleans are substantially similar in size and character, although more dock laborers are employed at New Orleans.

(4) Union owns nine towboats and one hundred and twenty-two barges, which it employs in its interstate commerce operations as a water carrier, duly authorized by the Interstate Commerce Commission to ply certain portions of the Mississippi River system, including the Allegheny, Monongahela, Kanawha and Ohio Rivers, and the Mississippi from St. Louis to the Gulf of Mexico, as well as the Intracoastal Canal, west of New Orleans to Houston and Corpus Christi, Texas. In 1914, in addition to the advantage which normally enures to it by reason of a standing agreement existent between it and other water carriers, for mutual interchange of towing, Union found it necessary to make use of two chartered towboats and many barges as such common carrier of water-borne freight.

No one or more towboats or barges are dedicated to use on any particular section of the inland water system traveled. The flow of traffic normally controls and directs assignment of towboat or barge to service. When a shipper, for example, requires a barge, a suitable one, depending upon the kind of cargo offered, is supplied and, after the loaded cargo has been towed to and delivered to the shipper's point of destination, the barge may be re-loaded there and either wends its way back or proceeds further on, in continued movement of cargo, or it may be towed as an [fol. 242] empty to any other port where there is need of it for loading other freight offerings.

Its traffic from Pennsylvania to Louisiana, the principal commodities towed are manufactured steel products, etc., while the outbound freight from Louisiana is, in the main, petroleum products.

All of Union's downstream tows into Louisiana break up at New Orleans, but such barges as carry cargo intended for Texas ports are at once shifted to the motive power of towboats operated by barge lines that ply the Intracoastal Canal.

The bulk of Union's downstream freight originates in the Pittsburgh district, but it picks up cargo as it delivers, at intervening points, and the tow that finally comes to a halt at New Orleans may contain no barge that was once comprised in an original tow made up at Pittsburgh, but only such as were picked up in the tow's progress downstream, by way of replacing those consigned to intervening river points.

The ratio of Union's northbound traffic out of Louisiana to its southbound, is as of 3 to 1, the greater part of the out-bound cargoes originating not out of New Orleans, but out of Baton Rouge. The time consumed in making a turn-around trip from Pittsburgh to New Orleans is from thirty-five to forty days. A towboat, of necessity, usually stays longer in Pittsburgh than any barge, between trips, for the reason that running repair and maintenance work is done in that part and due consideration must be given to the time-off-requirements of the crew.

Union operates neither terminal nor office at New Orleans, but has a working arrangement with other barge [fol. 243] lines operating in and out of the port by which it assures the movement of its barges, and their tying-up whenever found necessary. It maintains no employees within the State of Louisiana, except that it does avail itself, for a money consideration, of the services of a shipping agent and importer, on occasion, in the manner and to the extent by it specially directed.

Arriving at Union's southern terminus, an inbound shipment of cargo is delivered in carrying barge to such New Orleans wharf as has been specified by the shipper, where barge and cargo are left at the responsibility of the consignee to be by him unloaded at his or the shipper's expense. When discharge of cargo is effected, the consignee notifies Union, which then seeks to effect prompt removal from the dock.

No towboats or barges are permitted to ever remain in port any longer than is necessary, Union's constant endeavor being to maintain the equipment at the maximum cargo ton mile performance, since it is uneconomical to have its barges lying idle, be it in Louisiana port or any other.

No loaded barge transferred to Union's motive power at New Orleans for northward towing, by any barge line operating out of Texas through the Intracoastal Canal, stays in port any longer than necessary to effect transfer, and, so soon as it is incorporated in a Union tow, it moves up the Mississippi.

All repairs are usually done at Pittsburgh. In New Orleans, Union maintains neither yard nor other repair facilities and equipment. Whenever emergency repairs are needed on either towboat or barges, the same is effected at the nearest available plant.

[fols. 244-251] Of Union's nine towboats, two did not enter Louisiana in 1944, and three of the seven that did, i. e., the Sam Craig, C. W. Talbot, and J. D. Ayres, each came in but twice, for aggregate stays in the port of New Orleans of 70½, 62 and 57½ hours, respectively, and in other Louisiana ports, of 73, 11 and 7½ hours, respectively, in the order named. A fourth, i. e., the Neville, entered three times, for aggregate stays in New Orleans of 99½ hours and in other Louisiana ports of 66 hours. The remaining three, i. e., the Peaco, William Penn, and Jason, each came into the State seven times, for aggregate stays in the port of New Orleans of 203, 195, and 137 hours, respectively, and in other Louisiana ports, of 52, 242½ and 517½ hours, respectively, in the order named.

Thirty-eight of the cargo-carrying barges and one fuel flat owned and operated by Union, did not find their way into Louisiana during 1944.

Of the total 8784 hours of 1944, 97.8% were spent by Union's towboats outside of Louisiana ports, 95.7% were similarly spent by its cargo barges, and 98% by its fuel flats, which last are used for carrying along the towboats required fuel on a long-distance trip, if, as a matter of fact, a particular vessel is not provided with sufficient storage space aboard.

Union's home office is at Pittsburgh, and all of its officers are residents of Pennsylvania, within what is referred to as the Pittsburgh district.

[fol. 252] As has already been observed, neither DeBardeleben, American, Mississippi Valley, nor Union, is a Louisiana corporation, Delaware being the State that gave the first three "the power to be as well as the power to function," while Pennsylvania stands in like relation to Union.

No part of the taxed watercraft and marine equipment of the three was within Delaware, corporate domicile of each, at any time; but Union's like movable property was located in Pennsylvania, from and to which state it was continuously operated in interstate commerce during the years 1944 and 1945.

In none of the cases under consideration can either the State of Louisiana or the City of New Orleans successfully maintain the claimed right to tax any of the movable property in question unless it be established by the evidence

that such property has acquired an actual situs for taxation within the State's jurisdictional limits notwithstanding a previously existent situs originally established by law at the domicile of the property-owner.

Ayer & Lord Tie Co. vs. Kentucky, 202 U. S. 409, 26 S. Ct. 679, 50 L. ed. 1082, (1906);

[fol. 253] *Southern Pacific Co. vs. Kentucky*, 222 U. S. 63, 32 S. Ct. 13, 1. ed. 96 (1911);

See also: 51 Am. Jur. (1944), SS. 453, pp. 468, 649; ss 461, 462, p. 474; ss 803, 807, pp. 721, 725, ss 912, 913, pp. 807-809.

That neither the corporate domicile States of Delaware nor Pennsylvania choose to tax the respective plaintiffs' watercraft, adds nothing to defendants' claimed right of taxation. So far as the State of Louisiana and the City of New Orleans are concerned, it is of no legal moment whatever that all of said property forever remains totally untaxed, unless and until they do satisfactorily establish their right to, themselves, tax the said property.

Since, as has been repeatedly held by the United States Supreme Court, the State of its original remains the permanent situs of a corporation's movables, no matter whether they successively move across the State's boundaries for varying periods of time, provided they ever return to the State and never become permanently joined to an intermingled with movables having a tax situs in another state, it is clear that none of Union's tugboats and barges did ever acquire a taxation situs in Louisiana. They were never *peramently* situated therein, as "permanently" is defined in the late case of *Northwest Air Lines, Inc. vs. State of Minnesota*, 322 U. S. 292, 295, 64 S. Ct. 950, SS L. ed. 1283, 1286 (1944); rehearing denied, 323 U. S. 809, 65 S. Ct. 26, 89 L. ed. 645. See also: *New York, ex rel New York C. & H. R. R. Co. vs. Miller*, 202 U. S. 594, 597, 26 S. Ct. 714, 50 L. Ed. 1155, 1160 (1906); and *Johnson Oil Refining Company vs. Oklahoma*, 290 U. S. 158, 54 S. Ct. 152, 78 L. ed. 238 (1933), and cases therein cited.

[fol. 254] While the watercraft of both American and Mississippi Valley were never within the boundaries of Delaware, that State was, nevertheless, legally instituted the situs of such movable property by virtue of the plaintiffs' respective incorporation under authority of its laws; and neither the State of Louisiana nor the City of New Orleans may tax any of said property without first show-

ing that, as to the particular property sought to be taxed, there has actually taken place substitution of a Louisiana tax situs for that of Delaware. Under the hereinabove detailed circumstances attending the interstate commerce operations of both of said named plaintiffs, it cannot be truly said that the presence of either plaintiff's watercraft within Louisiana was at any time of that "permanent" character necessary to fix and establish a new situs for the imposition of taxes therein.

As the Supreme Court of the United States observed with reference to certain ships operating between New York and San Francisco, and between the latter port and others, within the then Oregon Territory, in the case of *Hays vs. Pacific Mail Steamship Company*, 17 How. 596, 15 L. Ed. 254, decided in 1855, so, too, did none of the "taxed" movable property of either Union, American, or Mississippi Valley, ever enter the State of Louisiana, or come within any port thereof, except to discharge and take on cargo.

"independently of any control over them, except as it respects municipal and sanitary regulations of the local authorities, such as are not inconsistent with the Constitution and laws of the general governments; to which belongs the regulation of commerce with foreign nations and between States." (P. 599.)

In said *Hays Case*, it was established that the ships regularly visited, after discharging mail, passengers and [fol. 255] freight at San Francisco in approximately one day, a naval dock and shipyard owned and operated by the defendant shipping company, for furnishing and repairing its steamers, at the Port of Benicia, California; and that each ship there remained until the commencement of its next voyage, or, usually, ten to twelve days.

But the Supreme Court, nevertheless, held that the State of California had no jurisdiction over the vessels for the purpose of taxation, since none were "properly abiding within its limits, so as to become incorporated with the other personal property of the State", inasmuch as temporary presence in any California port in the character of water carriers engaged in commerce, wholly excluded the idea that they came to the State for the purpose of permanently abiding therein, which would have created a California taxation situs.

This Hays Case has been cited approvingly by the Supreme Court ever since 1855, to the point that a vessel engaged in interstate commerce is, primarily, not subject to taxation in other state than the one of its owner's domicile, when it only incidentally and temporarily touches at out-of-state ports for the purpose of delivering or receiving freight, because the vessel is not, in any proper sense, *abiding* within that state.

See: *Morgan vs. Parham*, 18 Wall. 471 (83 U. S.), 21 L. ed. 303 (1873);

Southern Pacific Company vs. Kentucky, 222 U. S. 63, 32 S. C. 13, 15, 17, 56 L. ed. 96 (1911);

See also: *Pullman's Palace-Car Co. vs. Pennsylvania*, 141 U. S. 18, 11, S. Ct. 876, 878, 35 L. ed. 613 (1891).

[fol. 256] In the *Morgan* case, *supra*, which basically involved the attempted assessment as personal property in the City of Mobile, Alabama, of certain vessels, including the steamer *Frances*, property of one *Morgan*, citizen of New York, from which state said vessel, having been first duly registered at the port of New York under *Morgan's* ownership, was brought down to Mobile in 1865. The *Frances* immediately engaged in the coasting trade between Mobile and New Orleans, from that time until the trial in 1870, and was enrolled at the customhouse in Mobile by her master as a coasting vessel in 1867, her yearly license as such being thereafter renewed in 1868 and 1869. The vessel, with others, constituted a daily line of steamers plying between the two named ports and the *Frances* touched at Mobile, and at New Orleans, no less than three times a week. Her captain was a resident of Mobile; and also a resident of the City was the vessel's business agent, conducting her affairs within the port. He occupied an office and he employed and paid the persons who there assisted him in the service of the line. However, he, himself, was under control of a superior agent residing in New Orleans, by whom both captain and crew were paid. In Mobile, furthermore, a wharf was maintained and occupied in the conduct of the vessel's operations in such coastwide traffic.

Upon these main facts devolved the question, said the Supreme Court, whether the *Frances* was subject to taxation as personal property, under the laws of Alabama.

The Federal Court below has rendered judgment upholding the assessment, and subsequent seizure of the *Frances*

for the non-payment of the tax levied, and it was insisted by the defendant in error, Parham, before the Supreme Court, that the vessel was personal property resting within the State of Alabama, and, therefore, property taxable as such. On the other hand, plaintiff in error, Morgan, con-[fol. 257] tended that the vessel was owned in New York, had never become blended with the commerce and business of Alabama, and being so operated in the interstate coasting trade, her taxation in Alabama violated the Constitutional grant to Congress of the exclusive power to regulate commerce among the States. (Art. 1, Sec. 8, Cl. 3.)

The Supreme Court, quite naturally, observed that the *Frances*, although a vehicle of commerce, was not ipso facto exempt from Taxation but, nevertheless, held.

“It is the opinion of the Court that the state of Alabama had no jurisdiction over this vessel for the purpose of taxation, for the reason that it had not become incorporated into the personal property of that state, but was there temporarily only; and that it was engaged in lawful commerce between the states with its situs at the home port of New York, where it belonged and where its owner was liable to be taxed for its value. The case of *Hays vs. Steamship Co.*, 17 How., 596, 15 L. ed. 254, is decisive of the case before us. . . .”

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“Whether the steamer *Frances* was actually taxed in New York during the years 1866 and 1867 is not shown by the case. It is not important. She was liable to taxation there. That state alone had dominion over her for that purpose. . . .

“The jurisdiction of this Court over the present case, as in the case of *Hays vs. Steamship Co.*, supra, arises from the facts: first, that the property had not become blended with the business and commerce of Alabama, but remained legally of and as in New York; and second, that the vessel was lawfully engaged in the interstate trade, [fol. 258] over the public waters. It is in law as if the vessel had never before or after that day been within the Port of Mobile, but touching there on a single occasion when engaged in the interstate trade, had been subjected to a tax as personal property of that city. Within the

authorities it is an interference with the commerce of the country was not permitted to the states.

"The judgment must be reversed."

The Louisiana taxing authorities here urge that the law of Louisiana requires that

"the rolling-stock or movable property of any railroad company, telegraph company, canal company or other transportation company, whose lines lies partly within this state and partly within another state, or states, or whose sleeping cars run over any line lying partly within this state or partly within another state or states, shall be assessed in this state in the ratio which the number of miles of the line within the state has to the total number of miles of the entire lines." (6 Dart's Gen. Stat. ss 8370; Sec. 29 of Act 170 of 1898, as amended by Act 152 of 1932.)

and that in view of the factual situation reflected by the record herein concerning the operation of each one of the four "Lines" of transportation, other than railroad, telegraph, canal, and sleeping-car companies, the movable property of each such "other transportation company" is properly subject to taxation in Louisiana, within the schemes of "ratio assessment" prescribed.

Great reliance is placed by the defendants upon the case of Pullman's Palace-Car Company vs. Pennsylvania, 141 U. S. 18, 11 S. Ct. 35 L. ed. 613, but, conceding for the present purpose that each one of the four plaintiffs [fol. 259] and their respective transportation systems can fairly be brought within the intendment of the legislative expression when the lawmaker speaks of "other transportation companies", in connection with the railroad company, a telegraph company, a sleeping-car company, a canal company, and their "lines", it is interesting to note that the Supreme Court's decision was plainly based upon this finding of fact, viz.:

"The cars of this company within the state of Pennsylvania are employed in interstate commerce; but their being so employed does not exempt them from taxation by the state; and the state has not taxed them because of their being so employed, but because of their being within its territory and jurisdiction. The cars were continuously and permanently employed in going to and from upon certain routes of travel. If they had never

passed beyond the limits of Pennsylvania, it would not be doubted that the state could tax them, like other property within its borders, notwithstanding they were employed in interstate commerce. The fact, that instead of stopping at the state boundary, they cross that boundary in going out and coming back, cannot affect the power of the state to levy a tax upon them. The state, having the right, for the purposes of taxation, to tax any personal property found within its jurisdiction, without regard to the place of the owner's domicile, could tax the specific cars which at a given moment were within its borders. The route over which the cars travel extending beyond the limits of the state, particular cars may not remain within the state; but the company has, at all times substantially the same number of cars within the state, and continuously and constantly uses there a portion of its property; and it is distinctly found, as matter of fact, that the company continuously, throughout the periods for which these taxes were levied, carried on [fol. 260] business in Pennsylvania, and had about 100 cars within the state.

"The mode which the state of Pennsylvania adopted to ascertain the proportion of the company's property upon which it should be taxed in that state was by taking as a basis of assessment such proportion of the capital stock of the company as the number of miles over which it ran cars within the state bore to the whole number of miles in that and other states over which its cars were run. This was a just and equitable method of assessment; and, if it were adopted by all the states through which these cars run, the company would be assessed upon the whole value of its capital stock, and no more. The validity of this mode of apportioning such a tax is sustained by several decisions of this Court in cases which came up from the Circuit Courts of the United States, and in which, therefore, the jurisdiction of this Court extended to the determination of the whole case, and was not limited, as upon writs of error to the State Courts, to questions under the constitution and laws of the United States."

After reviewing and commenting upon several of such previous rulings, the Supreme Court observed that even more in point than any of the other cases which it had just mentioned, was the case of *Marye vs. Baltimore and*

Ohio Railroad Co., 127 U. S. 117, 8 S. Ct. 1037; which case was decided in 1888, and affirmed the judgment of the lower Federal Court that had enjoined the attempted collection by Virginia taxing authorities of taxes levied against the railroad company, a Maryland corporation, whose rolling-stock was specially exempted from taxation by the charter provisions. No part of the railroad company's roadway lay in Virginia, but it nevertheless operated its railroad with its own engines and cars within that state, under contracts of lease, on and over established [fol. 261] roadbeds and tracks of several Virginia corporations, none of which owned *buy* rolling stock.

These Virginia corporations, four in number, duly paid taxes assessed upon and against their respective roadways, trucks, depots, and other real estate owned by them, but, of course, were not assessed for the railroad rolling-stock owned by the Baltimore and Ohio Railroad Company and continuously operated by it on and over the track systems and operating appurtenances laid on Virginia soil, under the following conditions, detailed at greater length in the Supreme Court decision, viz:—no such rolling stock was assigned permanently to the four lessee Virginia lines mentioned, or either of them; the trains, composed of the B. & O. equipment, or rolling stock, ran from Lexington, Virginia, over said four lines into West Virginia, and thence into Maryland, to Baltimore, or, if any cars were destined for points west, thence from Harper's Ferry in that direction. None of such rolling stock was assigned permanently to service in Virginia, but was used interchangeable upon the main line and branches of the B. & O. railroad system, so-operated in Maryland and Virginia, and also upon the divisions of said Baltimore and Ohio Railroad in Pennsylvania and in States west of the Ohio River, just as varying necessities made demand upon the service rendered by the railroad company.

The Virginia statute under which it was sought to collect taxes assessed upon the constant quantity of B. & O. rolling-stock, so continuously within Virginia although ever changing in particular component parts, prescribed that every railroad and canal company "not exempted from taxation by virtue of its charter" should annually report its property to the therein designated State's officer for assessment and taxation, classifying the same under the following

[fol. 262] heads:—roadway and track, or canal bed, depôts, depot grounds and lots, station buildings and fixtures, and machine shops, all other real estate, rolling stock, of all kinds, boats, machinery, and equipments, houses and appurtenances occupied by lockgate keepers and other employees, stores, telegraph lines, and, finally, miscellaneous property. And it was, furthermore, specially directed that every such railroad and canal company should additionally report annually to said official the gross and net receipts of the road or canal, and if such road or canal lay only partly within Virginia, then such part had to be shown in relating to the entire length of road or canal, with the reported receipts duly apportioned.

The statute in question, which, admittedly, was the only Virginia legislation, if any, justifying the assessment of the B. & O. rolling-stock, especially provided that, upon the failure of any railroad or canal company to make the required reports, the same was to be immediately assessed, its real estate and rolling-stock rated \$20,000 per mile, and a tax levied on such value at the current annual rate of taxation in force; and that upon the tax levied remaining unpaid, the assessed property should be seized and sold.

The single question before the Supreme Court, as it observed, was whether the Baltimore and Ohio Railroad Company, under the circumstances detailed, was liable to taxation by the state of Virginia, with respect to the aforementioned rolling-stock that its owner had not reported for assessment.

The Court found that the statutory language referred to only such railroad and canal companies as derived their authority from the State of Virginia, and whose taxable property lay within the State; and confirmed the [fol. 263] existent injunction prohibiting the attempted collection of the taxes assessed upon and against the B. & O. rolling-stock.

But the Supreme Court took occasion to say that which suggested the observation that it made three years later, in deciding the Pullman Palace-Car Co. Case, in 1891, viz:

“It is not denied, as it cannot be, that the state of Virginia has rightful power to levy and collect a tax upon such property used and found within its territorial limits, as this property was used and found, if and whenever it may choose, by apt legislation, to exert its authority over

the subject. It is quite true, as the situs of the Baltimore & Ohio Railroad Company is in the state of Maryland, that also, upon general principles, is the situs of all its personal property; but for purposes of taxation, as well as for other purposes, that situs may be fixed in whatever locality the property may be brought and used by its owner by the laws of the place where it is found. If the Baltimore & Ohio Railroad Company is permitted by the State of Virginia to bring into its territory, and there habitually to use and employ, a portion of its movable personal property, and the railroad company chooses so to do, it would certainly be competent and legitimate for the state to impose upon such property, thus used and employed, its fair share of the burdens of taxation imposed upon other similar property used in the like way by its own citizens. And such a tax might be properly assessed and collected, in cases like the present, where the specific and individual items of property so used and employed were not continuously the same, but were constantly changing, according to the exigencies of the business. In such cases the tax might be fixed by an appraisement and valuation of the average amount of the property thus habitually used, and collected by distraint upon any portion that might at any time be found. Of course, the lawfulness of a tax upon vehicles of transportation used by common carriers might have to be considered, in particular instances, with reference to its operation as a regulation of commerce among the states; but the mere fact that they were employed as vehicles of transportation in the interchange of interstate commerce would not render their taxation invalid. No question on that account arises in this case.

...
In both the *Marye Case* (1888) and the *Pullman's Palace-Car Co. Case* (1891), *supra*, as well as in the later cases of *American Refrigerator Transit Co. vs. Hall*, 174 U. S. 70, 19 S. Ct. 599, 43 L. ed. 899 (1899), *Union Refrigerator Transit Co. vs. Lynch*, 177 U. S. 149, 20 S. Ct. 631, 44 L. ed. 708 (1900); *Union Refrigerator Transit Co. vs. Kentucky*, 199 U. S. 194, 26 S. Ct. 36, 50 L. ed. 150 (1905), *Union Tank Line Co. vs. Wright*, 249 U. S. 275, 39 S. Ct. 276, 63 L. ed. 602 (1919),^a and *Johnson Oil Ref. Co. vs. Oklahoma*, 290 U. S. 158, 54 S. Ct. 152, 78 L. ed. 238, (1933), the United States Supreme Court has uniformly held that where a corporation brings into a state other than the one granting

it the corporate charter, a portion of its movable property to therein employ and use the same in the conduct of its business operations for profit, carried on as one entity, in more than one state, such permanently established portion may be constitutionally taxed in said second state, by resorting to the generally adopted and approved method of first valuing as a unit the entirety of the taxable corporate property employed in the interstate operations, taking into consideration the uses to which it is put and all elements making up its aggregate value, and then ascertaining what proportion of the corpus may be fairly taxed as being within the bounds of the State in interest, without violating any Federal restriction.

[fols. 265-270] But never has any such assessment and taxation been approved by the Courts until and unless the state other than the one of corporate domicile, first satisfactorily established that within its borders, for the whole of the taxable year, the particular portion of the property sought to be taxed was regularly and habitually used and employed,—that there actually existed within the state, the taxation situs of such portion of said property.

No such situs, however, existed in the State of Louisiana during the taxable years at issue, as respects any of the "taxed" watercraft of American, Mississippi Valley, and Union, and each is apparently entitled to the refund of the "taxes" that were paid under protest.

[fol. 271] In view of all of the foregoing, and by way of formal recapitulation, the Court now makes the following findings of fact and conclusions of law, to-wit:

FINDINGS OF FACT

1. The water craft of American Barge Line Company, Mississippi Valley Barge Line Company, and Union Barge Line Corporation, respectively, never abided in the State of Louisiana nor did any of said watercraft, while moving in constant interstate commerce-traffic and intermittently coming into said State, ever remain therein for any more than such comparatively short periods of time as were required to discharge and take on cargo, or to make necessary emergency and temporary repairs to any unit of a tow.
2. The State of Louisiana was never the legally-constituted domicile of either of said three plaintiff corporations.

[fols. 272-273] 3. The corporate domicile of (a) the American Barge Line Company and the Mississippi Valley Barge Line Company, respectively, was in the State of Delaware, and (b), that of Union Barge Line Corporation, in Pennsylvania.

4. (a) None of the watercraft of said two Delaware corporations, respectively, were ever within the bounds of Delaware, but (b), the watercraft of Union Barge Line Corporation was within Pennsylvania and regularly operated therefrom in interstate commerce.

[fol. 274]

CONCLUSIONS OF LAW

1. Under Section 24 (1) of the Judicial Code, as amended (28 U. S. C. A. 41 (1)), this Court is vested with jurisdiction in all of the actions presented to it for adjudication (except the one of the Union Barge Line Corporation and the two of the DeBardeleben Coal Corporation, Nos. 1453, 1028, and 1470, respectively, hereinabove specially referred to and ordered dismissed for want of jurisdiction) in as much as in each of said remaining actions, which are founded on diversity of citizenship, there also exists a federal question concerning the continued retention of the illegal taxes collected, and segregated awaiting the termination of the litigation with respect thereto, and, moreover, the matter in controversy exceeds, exclusive of interest and costs, the sum or value of \$3,000.00.

2. No tax situs with respect to any of the watercraft of American Barge Line Company, Mississippi Valley Barge Line Company, and Union Barge Line Corporation, respectively, has existed in the State of Louisiana at any time, and none of said watercraft was ever legally taxable within the said state.

3. The taxes which were assessed upon and against any portion of either of said three plaintiff corporations' watercraft were all illegally assessed and collected.

4. Said American Barge Line Company and Mississippi Valley Barge Line Company are entitled to recover from both of the defendants, as said plaintiffs have prayed for, respectively, in their original complaints against the State Tax Collector for the City of New Orleans, and in their original and supplemental complaints against the Com-

missioner of Finance and ex-officio City Treasurer of the City of New Orleans, State of Louisiana, relating to the [fol. 275] taxes of the year 1944; and, also, in view of the parties' stipulation to that effect made and entered into, in open Court, at the trial on January 14, 1946, to likewise recover as prayed for in their respective complaints relating to similar taxes for 1945, by them likewise paid under protest.

5. Said Union Barge Line Corporation is entitled to recover only as it has prayed for against said mentioned Commissioner of Finance and ex-officio City Treasurer of the City of New Orleans, State of Louisiana, with reference to the taxes of 1945.

[fol. 276] 11. The continued retention of any of the aforementioned illegal taxes, paid under protest by the respective parties in interest, constitutes a taking of property without due process of law, in violation of the Federal and State Constitutions.

Let a judgment, in consonance with the foregoing, be, therefore, entered in each of the above mentioned actions; and let proper record be made of the dismissal, for want of jurisdiction, of the three actions to which the foregoing formal findings of fact and conclusions do not relate.

New Orleans, Louisiana, September 5th, 1946.

(Signed) A. J. Caillouet, United States District Judge.

IN UNITED STATES DISTRICT COURT

[Number and Title omitted]

ORDER CORRECTING OPINION—Filed September 13, 1946

The Clerk of Court is hereby authorized and directed to forthwith take the following action, with respect to the Court opinion, wherein are incorporated Findings of Fact [fols. 277-278] and Conclusions of Law, which was lately filed by the undersigned Judge, in the matter of the eight (8)

"barge line" Civil Actions Nos. 1029, 1030, 844, 1028, 845, 951, 1188, and 1453, on the docket of the Court, viz:

1. On page 9, make the first paragraph, at the top, hereafter read:

American never engages in Louisiana intrastate commerce operations, nor do Mississippi Valley and Union; but DeBardeleben does, although only in a minor way.

2. On page 29, line 14, change the word "therefore" to read "apparently."

3. Withdraw the final pages 33, 34, 35, 36, and 37, and substitute therefore the hereto-attached pages 33, 34, 35, 36 and 37.

4. Thereupon, the entry of judgment, etc., as directed in said opinion, shall follow without delay.

New Orleans, Louisiana, September 13th, 1946.

(Sgd.) A. J. Caillouet, United States District Judge.

[fol. 279] IN UNITED STATES DISTRICT COURT

[Title omitted]

Condensed Narrative Statement of All Testimony in Various Barge Line Tax Cases Consolidated for Trial—By Agreement of Counsel—Filed August 6, 1947

(Sgd.) Arthur A. Moreno, of Counsel for Plaintiffs-Appellees. W. C. Perrault (L.), B. I. Cahn (L.), Henry G. McCall (L.); Alden W. Muller (L.), (Sgd.) H. W. Lenfant, Of Counsel for Defendants-Appellants.

[fol. 280] John C. Calhoun testified he is Acting Superintendent of Transportation, American Barge Lines, which operates between Pittsburgh, Pennsylvania and New Orleans, and makes an occasional trip from St. Louis to New Orleans. The boats operate on the Mississippi and on the Ohio Rivers to the cities just named but the barges go up the tributaries, going up the Cumberland and the Tennessee Rivers, and on the Monongahela; then they go

up into the Coastal Canal, and sometimes operate on the Allegheny and on the Conemaugh Rivers. They also operate between Pittsburgh, Pennsylvania and Pahrissa, Arkansas. The barges generally carry steel products originating in the Pittsburgh territory, and go down the river to Louisville, Memphis, Houston and St. Louis. Upstream, they carry mostly petroleum products, alcohol and sugar. Barges go up to Pittsburgh, and up the Tennessee River to Nashville; some go up the Conemaugh River to Charleston; some to St. Louis; and some to Minneapolis.

No towboat is particularly allotted to traffic going to New Orleans. A tow will start from Pittsburgh and it may be handled by three different boats before it comes to New Orleans. When a boat starts out from St. Louis, it is not known what it is going to take to New Orleans. The barges are not allocated in particular to traffic in New Orleans, but they operate wherever tonnage is offered. They operate beyond New Orleans to Houston, Texas in connection with the River Terminal Corporation and the Coyle Lines. When a tow reaches New Orleans on a downstream voyage, the tow is taken to Whiteman's Landing at Algiers and the towboats deliver the tow. The towboats then pick up the northbound tow and the barges brought to New Orleans are distributed by the tugs in New Orleans. Whenever cargo freight is brought to the docks to be transferred, it is done by local tugs. The American Barge Line does not own any terminal in New Orleans and has no warehouses. The [fol. 281] barges are delivered to local docks by local tugs, and the barges are unloaded by the Mississippi Valley Barge Line. American Barge Line does not have any stevedoring services.

When a tow coming downstream reaches Whiteman's Landing, the barges are picked up by a tug that takes it to Houston. At Houston, cargo going north is mostly petroleum products destined to Pittsburgh; Louisville, Charleston, West Virginia; Memphis; St. Louis; Chicago; and some up to Minneapolis. The barges are not permitted to remain in New Orleans any longer than necessary to load, and a towboat is turned around and sent north as quickly as possible. As soon as the barge is loaded; it is taken to Whiteman's Landing and as soon as ready to go, it is picked up by a towboat and taken to the point of destination. The American Barge Line has terminals at Glassport, Pennsylvania; Louisville, Kentucky; and Memphis, Tennessee.

Emergency repairs are made wherever necessary, but regular repairs are made at Jeffersonville, Indiana, which is opposite Louisville. Here the largest office is located where probably thirty-five or forty people are employed. Very rarely, empty barges are taken up-stream, but sometimes to New Orleans to take on cargo, but not to lie in New Orleans.

In 1943, the barges were moving up and downstream constantly, as there was much traffic at that time, and the boats and barges were kept moving as fast as possible. In that year, the "Jefferson" was in Louisiana 33 days, 7 hours and 45 minutes; the "National" 9 days, 3 hours and 15 minutes; and "Patriot" 11 days, 10 hours and 15 minutes.

Patrick Calhoun, President, lives in Louisville; Andrew Calhoun, Vice-President lives in Pittsburgh; Mr. Bayless, Secretary and Treasurer lives in Cincinnati; and the witness lives in Louisville. The annual meeting of the Board of Directors is held in Wilmington, Delaware, and the other [fol. 282] meetings of the Board of Directors are held in New York.

On cross examination, the witness testified that the boats were turned around in Louisville, Kentucky as fast as in New Orleans, as an attempt is made to turn them as fast as possible in every port. It is to the economic advantage of the owners to keep boats moving as fast as possible and to stay in Louisiana only as long as it is necessary to pick up, to bring down a tow, discharge it, pick up another tow, and take on supplies. Once in a while, they have to wait for a barge coming across the Coastal Canal.

He testified:

That their boats operate regularly from Pittsburgh to New Orleans, and occasionally from St. Louis to New Orleans; that their barges operate beyond New Orleans in connection with the River Terminal Corporation and the "Coyle" Lines (DeBardeleben Coal Corporation); that their barges going into the Intracoastal Canal as distributed by the "Coyle" tugs; that the Mississippi Valley Barge Line unloads the American's barges consigned to New Orleans. He states that the American Barge Line works a small crew of men off and on in New Orleans who sometimes clean out their barges.

Mr. Calhoun further testified that they maintain an office in the Maison Blanche Building in New Orleans employing

five people; that in the year 1943 their barges were used constantly.

Under cross examination Mr. Calhoun admitted that none of their boats or barges ever entered the State of Delaware; that their boats are turned around as fast as they can turn [fol. 283] them in every port; that they cannot afford to hang around ports. He testified that their boats take on supplies in New Orleans, and that their boats sometimes wait in New Orleans for barges coming across the Intracoastal Canal. He testified that they had forty-seven tows to New Orleans for 1943 and seventy-three tows to New Orleans in 1944; that they were in and out of New Orleans about once a week, and in the year 1944 they averaged better than that; that New Orleans is the terminus of their lines.

He testified that their tow boats and barges stop in New Orleans, and after the necessities of delay of days to make up the tow going northward, they then proceed up the river, and he admitted that in 1943 and 1944 the bulk of their tonnage originated in New Orleans and vicinity; that is, Intracoastal Canal, Chalmette, Port Sulphur, Baton Rouge, Lake Providence, La., Lake Charles, Louisiana all brought across the Canal and consolidated in New Orleans for northward tow.

He stated as far as tonnage is concerned, New Orleans was the biggest port of call on their line. That they maintain their own office in New Orleans yearly; that no tow boats or barges are allotted to any particular port, not even Louisville, Kentucky; that they use the wharves of the Dock Board of Louisiana for their barges.

He admits that the City of New Orleans and State of Louisiana offers, necessary fire, police and health protection; that the port of New Orleans had two fire tugs, which was different from other ports, and these tugs actually rendered fire assistance in 1943 to extinguish a fire on their tow boat "Pioneer".

Mr. Calhoun further testified that they used chartered boats in addition to their own equipment to come to New [fol. 284] Orleans during these years. Their exhibits only show movement of their own equipment. He admits that the State of Louisiana or the City of New Orleans is not seeking to tax them on their chartered equipment, but only on their out-right owned equipment.

Mr. J. Sterling Davis, Treasurer and Assistant Secretary,

and a director of the company, testified substantially the same.

He further testified that New Orleans is the southern terminus of their line; that they carry some cargo down the Mississippi to some points around New Orleans, to Port Sulphur, Louisiana. He stated that the American Barge Line Company owned approximately 200 barges in 1943 and 10 tow boats; that they own their own office furniture and fixtures and automobile in New Orleans. He admits some emergency repairs were made to their boats in New Orleans; that New Orleans is the largest transfer point on their line, and southern terminus of their line; that none of their boats have ever gone to Delaware, and that they pay *on* taxes in Delaware on their watercraft, nor any taxes on the watercraft to any other State; that their tow boats are too big to go into the Intracoastal Canal; that they endeavor to move their boats as fast as possible in every port no matter where. He stated that their Exhibit 5 excluded loadings on Intracoastal Canal points when showing the New Orleans figures as to tonnage. He stated that in addition to the port of New Orleans, they loaded barges at other ports in Louisiana; that they have no records to show the comparison of time spent in New Orleans compared with time spent in individual ports in other States, and they cannot tell whether their boats spent more time in New Orleans than in other ports during these years.

[fol. 285-301] Mr. Davis testified that they only carry on such corporate business in Delaware as required by the Delaware law; that the main corporate business of the corporation was transacted through meetings in New York; that as far as he knows none of their stockholders, directors or officers live in the State of Delaware, and that the Corporation Trust Company is their agent for service of process in Delaware; that their Exhibit 1 shows that their tow boat "Pioneer" was in New Orleans during one period for twenty-four days thirteen hours and forty-five minutes caused by a fire on their boat, which was repaired in New Orleans. He presumes that Louisiana and New Orleans rendered fire, police and health protection to their boats while in New Orleans and other Louisiana ports.

[fol. 302] G. C. Taylor, Vice President, Mississippi Valley Barge Line, residing in St. Louis, where is located the principal office of the company, testified he is in charge of opera-

tions. These operations are the transportation of freight in interstate commerce on the Mississippi River between Pittsburgh on the East, and for the whole length of the Ohio River and on the Mississippi River between St. Louis and New Orleans. Their regular service is maintained in those areas, and irregularly the Upper Mississippi River and some of its tributaries, as far as Minneapolis, is served by the Line. The terminals are located at Cincinnati, St. Louis, Cairo, Memphis and New Orleans, where the company has its own operations, but public terminals are used at Helena, Vicksburg, Baton Rouge, Evansville, Louisville and Pittsburgh. It operates as a public carrier on a certificate of the Interstate Commerce Commission. It owns the Towboats "Tennessee", "Ohio", "Indiana" and "Louisiana", which are registered in St. Louis. It also owns 85 to 100 barges. No towboat is especially allocated to any particular service, but they are sent to whatever port requires them, and they are not permitted to remain in any particular port any length of time, but every effort is made to keep them moving the greatest possible number of days a year, because they earn nothing when tied to the bank. When a towboat brings a tow, the tow is tied off—the towboat ordinarily takes fuel [fol. 303] and immediately proceeds to pick up its outbound tow and get out of town. A towboat may in some cases be delayed waiting for cargo or something of that sort, but the one object, after getting to a terminal point, such as New Orleans, is to get out again. Scheduled and regular repairs are made at Cincinnati, but running or emergency repairs are made wherever necessary, and occasionally there may be some delay to a towboat in New Orleans for that purpose. The towboats ordinarily remain from 12 to 15 hours, which is required to turn a boat around if everything works exactly right. The average is a little over that, perhaps 24, but it is in New Orleans solely for the purpose of bringing in an in-bound tow and taking out an out-bound tow. An attempt is made to have the out-bound tow ready and as soon as the in-bound tow is discharged it is immediately taken out of the Port of New Orleans. Towboats are assigned depending on circumstances, which change almost daily, by different cargo offerings, so that one boat may not be here for some time and another boat may repeat. The barges, like the towboats, are repaired at Cincinnati and only emergency repairs are made at other points. No

particular barge is assigned to the traffic between New Orleans and other points, but are assigned as cargo is offered. The barges are assigned in much the same way that a railroad would assign freight cars. Just as the railroad grabs the first car of the type required which is available, so the barges are grabbed, depending upon the type of barge required which is nearest to the point where the cargo is offered.

A barge starting out of Pittsburgh, for instance, will have in it barges for points other than New Orleans and will drop off barges and pick up barges as it comes down, and in a normal course of events the two will probably be handled by two or three different boats. The boats working [fol. 304] that tow will depend on how many pickups and drop-off's and what size it finally winds up being. The barges, when they reach New Orleans, are immediately reloaded for the north bound trip, but if cargo be light, they are sent back empty.

A certain number of barges go beyond New Orleans to Texas points by connecting lines. The towboats do not go beyond New Orleans but the barges are interchanged to a connecting line operating on the Intracoastal Canal. Those barges delivered to connecting lines are not permitted to remain in New Orleans any longer than necessary for the purpose of transportation to Texas. The barges are unloaded and reloaded and taken north by the next boat arriving here and are not permitted to remain in New Orleans for any purpose other than repairs, or unloading, or reloading. If empty barges are laid up they are not laid up in the port of New Orleans, but are taken to some other point for the obvious reason that remaining here would accumulate wharfage charges, and wherever a barge or any piece of equipment has to be tied up, it is tied up at Cincinnati, probably empty barges are moved out of New Orleans frequently. The company does not do any intra-state business, but the cargoes carried are entirely interstate.

The witness was shown an exhibit with all of the barges and towboats owned by the Mississippi Valley and said that the Towboat Indiana was not in Louisiana at any time in January and February, nor at any time in September, October and December of 1943.

The Towboat Louisiana was not in Louisiana any time in February, 1943, nor in June 1943, nor was it in Louisiana in December 1943.

The Towboat Ohio was not in Louisiana in May 1943, and in November 1943.

The Towboat Tennessee was not in Louisiana in January, in April, and September 1943.

[fol. 305] It was admitted that the Mississippi Valley Barge Line Company does not pay taxes on its tugs and barges to the State of Delaware; does not pay any taxes on the tugboats and barges in the State of Missouri, nor to any other state.

The President, the Executive Vice President and the Secretary-Treasurer all live in St. Louis, but one Vice-President lives in Pittsburgh. The Board of Directors meet in St. Louis. There are about 1500 stockholders who reside generally in the Middle west and East, and the witness knows there is some stock owned in Louisiana and New Orleans but had no idea of the amount. The City of New Orleans is the largest port on the line, but Pittsburgh would come very close to it and may exceed it. The witness is inclined, however, to think that New Orleans is larger. The number of barges in and out of Pittsburgh would closely approximate New Orleans. The Mississippi Valley Barge Line has more employees in New Orleans than in Pittsburgh because in Pittsburgh the shippers and consignees handle their own freight, but the large percentage of freight in New Orleans is handled by Mississippi Valley.

The company operates a wharf on the Industrial Canal, but the wharf facilities of the company are greater at Cincinnati and Galveston. Their facilities are greater in New Orleans than in St. Louis. The tugboats are registered in St. Louis.

Some repairs are made in New Orleans predicated on economical reasons but the "only times that any extent of work is done at New Orleans is when a boat has to be dry docked for under-water work, because there are only a limited number of places on the River where boats of this size can be pulled out of the water for that work. St. Louis is one and Pittsburgh another, and where the boat happens to be when the necessity of that work arises is what dictates where it is done." When the tug boats are in or [fol. 306] near New Orleans the dry docks at the Port of New Orleans are used to do the work, because other points on the line don't have floating dry docks large enough to take the boats, except the ports heretofore mentioned. Out-

of-water work is generally done in New Orleans or Pittsburgh. The volume of cargo handled in New Orleans is greater than in any other port with the possible exception of Pittsburgh, but the boats are kept moving in order to realize as much profit as possible out of the operations, but when two boats were laid up in the preceding Fall they were laid up at Cincinnati. When boats are laid up they are laid up either at Cincinnati or Pittsburgh. Boats are gotten out of New Orleans as quickly as possible in order to avoid the dock charges—and it is tied up at some other place if it is going to be laid up for an indefinite period.

The boats dock at Baton Rouge and remain there long enough to tie off a barge or pick one up, which requires from one to three or four hours, but the barges are not permitted to remain in Baton Rouge any more than necessary to load and unload the cargo. The operations at and through Baton Rouge will be practically the same in 1944 as in 1943.

He further testified that the Mississippi Valley Barge Line Co. is a Delaware corporation; in New Orleans, the Mississippi Valley Barge Line Co. have their own terminal operation; that during the period in question they owned four tow boats and eighty-five to one hundred barges, the tow boats being the "Tennessee", "Ohio", "Indiana", and the "Louisiana"; that New Orleans is a terminal point; that it takes perhaps twenty-four hours to turn a boat around in New Orleans.

He further testified that occasionally running or emergency repairs are made in New Orleans; that most of their [fol. 307] barges are unloaded at the Galvez Street wharf at New Orleans; that their tow boats do not go beyond New Orleans.

He pointed out that some of their barges do not get unloaded in New Orleans in time for their next boat going north, and such barges lie in New Orleans for about a two week period, and a few barges sometimes longer.

That the employees of the Mississippi Valley Barge Line Co. in St. Louis total seventy-five, whereas, their employees in New Orleans total eighty-five to one hundred. He explained that there is so much cargo in New Orleans, because New Orleans is a terminal point and a port, and the only point on their lines through which import and export traffic moves, and is therefore larger than their other ports; that they sent much out-of-the-country freight to New Orleans.

He admits that no taxes are paid on their tugs and barges in Delaware or any other State, and that he knows that the Louisiana taxing formula involves mileage. He knows that Louisiana and New Orleans furnish fire, police protection and health service for their boats; that they hold their meetings in St. Louis because their officers live there or near there. He thinks New Orleans is the largest port on their line, or in any event, that New Orleans and Pittsburgh are the largest ports on their line; that they maintain a permanent office in New Orleans, a solicitation office being in the business section of New Orleans, and they own their own office building at the Galvez Street wharf for the loading and unloading of their barges; that they own permanent installations at the Galvez Street wharf in the form of tractors, trailers and derricks; that they have been for [fol. 308] fifteen years at the Industrial Canal at Galvez Street and their wharf facilities are greater in New Orleans than at St. Louis.

Mr. Taylor further testified that they secure the fuel for their tow boats in New Orleans from the Shell Oil Company and secure some of their fuel from the Carrollton Avenue dock at New Orleans of the Standard Oil Company, and some fuel from the Standard Oil Company at Baton Rouge.

He further states that in addition to their own tow boats and barges, that they chartered additional tug boats and barges during this period, that some repairs are made at New Orleans. He stated that under-water boat repairs can be done in New Orleans, and were done on their boats here when in this vicinity; that all dry-dock work was done in New Orleans or Pittsburgh generally; that New Orleans is one of their principal ports, and that the cargo handled in or about New Orleans was greater than any other place, with the possible exception of Pittsburgh; that their boats were turned around as fast as possible in every port in order to move their cargo as rapidly as possible; that they have four hundred feet frontage on the Industrial Canal in New Orleans, and that their operations for 1944 were substantially the same as in 1943; that they also deliver and take cargo at Baton Rouge, Louisiana, and under their interstate commerce certificate, they could take cargo from New Orleans to Baton Rouge.

P. B. Lansing, Superintendent of Terminals for the Mississippi Valley Barge Lines, testified substantially like the

testimony of Mr. Taylor and that none of their boats are allocated to any special port on the Mississippi River; that most of their under-water repairs are done in New Orleans; [fol. 309] that Pittsburgh and New Orleans are considerably ahead of St. Louis in tonnage; that they maintain about one hundred employees in New Orleans, which is more than they maintain in St. Louis; that they have permanent wharf facilities in New Orleans with their own building and equipment for servicing their barges.

Mr. William S. Hay, Dispatcher at St. Louis, of the Mississippi Valley Barge Line testified that a dispatcher continually makes every effort to expedite the movements of the boats and barges; that he determines how their boats and barges shall move; that the Mississippi Valley owned eighty barges during this period; that no particular barges are assigned to any particular movement; that the Mississippi Valley operates on the Mississippi River and other Rivers between Cincinnati, Ohio and New Orleans and St. Louis, Missouri and New Orleans; that among their intermediate stops is Baton Rouge, Louisiana; that their barges lie idly at New Orleans if there happens to be no use for them on their first up-bound boat, but most likely these barges would catch the next up-bound boat; that they try to get a quick turn-around at all ports to get the full utility of their barges; that the Mississippi Valley owned four towboats during the period in question, which operated between Cincinnati and New Orleans; that a round trip between Cincinnati and New Orleans approximated thirty-five days; that their tow-boats were in New Orleans from twelve to forty-eight hours on each trip, depending on whether emergency repairs were necessary.

Mr. Hay further testified that the Mississippi Valley maintains a repair shop in New Orleans to make those repairs which must be made to keep the equipment moving out of that port.

[fol. 310] He testified that they maintain a permanent office in New Orleans; that they have some buildings at the Galvez Street wharf at New Orleans; that during the year 1943 their tow-boats with a string of barges would arrive at New Orleans once a week or slightly oftener, and that this service was constant throughout the year; that they used whichever barges were most convenient to go to New Orleans; that their four owned-tow-boats ran in and out of

New Orleans in 1943 in addition to some chartered tow-boats and barges; that the Mississippi Valley owned outright and operated during 1943 four tow-boats and eighty barges; and operated additional chartered watercraft equipment during 1943 and that this chartered equipment also operated in and out of New Orleans to some extent, which was made necessary by the increased traffic at times; that the four tow-boats owned were the "Ohio," "Tennessee," "Indiana" and "Louisiana" and that these tow-boats did not go to St. Louis during 1943 with possibly one or two exceptions, but operated on a regular schedule between Cincinnati and New Orleans; that a chartered boat made the run from St. Louis to Cairo and made connections with their through schedules between Cincinnati and New Orleans.

"Q. But Mr. Hay would you say off hand that there were more of your equipment including tow-boats and barges in New Orleans during 1943 than there were in St. Louis.

"A. Yes, because it is a much bigger port."

That their four owned tow-boats came out of Cincinnati and picked up any barges from St. Louis at Cairo, Illinois; that during 1943 New Orleans alone would handle about one-half of the cargo, and all other intermediate points between New Orleans and their point of origin would about handle in the aggregate the other half; that they have permanent equipment at Galvez Street wharf at New Orleans, which they operate the year round; that their equipment comes into New Orleans and is unloaded at the Galvez Street wharf, some barges are then loaded there and some barges are distributed at points along the Mississippi River for loading in the New Orleans harbor; that their tow-boats do not tie up for any number of days at their Galvez Street wharf, except where major repairs are necessary, and these are usually done at Todd-Johnson Dry-docks at New Orleans.

He testified that their reports show, for example, that Barge MV-49 (Exhibit Cave) (Hay 1) arrived in New Orleans on September 10th, 1943 and did not leave New Orleans until October 28th, 1943, and he testified that this seemed to have been a barge that either remained in New Orleans for lack of cargo for its use outbound, or it could have been placed somewhere on the River awaiting arrival of expected cargo, or it could have been awaiting its chance to be temporarily repaired before it could be used. When

asked if Mississippi Valley had any facilities in New Orleans to repair their barges, he testified that temporary repairs, unless of an unusual nature, could be made in New Orleans; that it also appears from their records (Cave Hay 2) that Mississippi Valley Barge BM 57 arrived in New Orleans November 17th, 1943 and remained in New Orleans through the balance of 1943 as no date is shown of leaving New Orleans in 1943; that their records (Cave Hay 3) also show a barge in New Orleans from July 31st, 1943 to September 13th, 1943; that their smaller barges, which number fifty out of their eighty, might lay over in New Orleans for a greater than average length of time due to the lack of need for the barge outbound, or to favor tow make-up; that Exhibit (Cave Hay 4) shows Barge MB 38 stayed in New Orleans from August 23rd to October 2nd, [fol. 312] 1943; that (Cave Hay 5) shows barge MB 46 stayed in New Orleans from February 21st, 1943 to March 30th, 1943; that Barge MB/30, which is one of their larger type of barges (Cave Hay 6) stayed in New Orleans from August 31st, 1943 to October 2nd, 1943, and that it is possible that there may have been a few other barges that missed the first boat out of New Orleans through lack of cargo or because it was necessary to temporarily repair the barge before it could be used; that they attempted to maintain as quick a turn-around with their equipment in St. Louis and Cincinnati and other points, as in New Orleans, in order to keep their equipment moving; that New Orleans is the terminus of their line, and when they reach New Orleans they turn around to go north after discharging cargo and picking up new cargo; that they have their own maintenance man in New Orleans who looks after any necessary temporary repairs; that none of their owned four towboats nor 80 barges ever went into Delaware during the year; that they operated exclusively on the Mississippi and Ohio Rivers; that their principal port in Louisiana is New Orleans and secondarily Baton Rouge; that all of their tows either originate in New Orleans or terminate in New Orleans, if they are in Louisiana; that if there is no cargo for an empty barge in New Orleans, and it was not needed at some other port, the barge would no doubt wait in New Orleans for cargo; that there is no port, over any other, where their barges are laid up indefinitely; that they have sometimes moved empty barges from New Orleans to Cin-

cinnati for cargo, or empty barges from Cincinnati to New Orleans for cargo.

Mr. Alfred S. Osbourne, in charge of operations testified that the Union Barge Line is incorporated under the laws of the State of Pennsylvania; that the Union is a common carrier by water operating over certain portions of the [fol. 313] Mississippi River System, and some connecting waterways; that they operate between New Orleans and Pittsburgh; that under their tariff, they have five days free time for unloading their barges in New Orleans; that they had a man in New Orleans, Gayle Aiken, to handle their business, who had a shipping business of his own, and that in 1944 they maintained this man on a salary basis; that their barges are handled indiscriminately throughout their whole course of operations depending on the kind of barge needed for loading particular cargo at various points, etc.; that all of their barges and tow boats are kept moving as quickly as possible at all ports; that most all of their traffic on the Intracoastal Canal is towed for them by other boats over to New Orleans, and the only waiting time at New Orleans was in making connections with one of their tow-boats; that their barges may wait in New Orleans from one to three days for their own boat to pick them up; that they pick up their barges in other Ports in Louisiana as soon as they have a tow-boat to do so.

Mr. Osbourne testified that they chartered other towboats and a great many barges in addition to their outright owned equipment, and that all of their chartered and owned equipment go indiscriminately to all of their ports of call; that they owned nine tow boats and about one hundred twenty-two barges during the period in question; that some of their tow-boats and barges made repeated trips to New Orleans in 1944, while some may not have gone to New Orleans at all during this period.

He further testified that the Union had a boat out of New Orleans about once a week during the year 1944; that their principal ports in Louisiana are New Orleans and Baton Rouge; that they normally run their boats to New Orleans only, and other towing Companies take their barges through [fol. 314] the Intracoastal Canal; in 1944, every trip ended in New Orleans with their boats and came back, but not so the barges; that no barge has a man on it; that the barge is delivered to a terminal specified by the consignee or the

shipper and then moved to another point in New Orleans for cargo to be transported northbound; that they had an arrangement with other Barge Line Companies operating in and out of New Orleans for the transfer of their barges or the tying up of their barges; that their barge shipments from the north originated principally in the Pittsburgh District and in certain instances on the way down they picked up cargo at Memphis for delivery at New Orleans and other points likewise in between; that in 1944, 75% of their tonnage was up-bound and 25% down-bound, and they very often had to take empty barges down to Louisiana to bring them back loaded; that their principal commodities that were taken into New Orleans for delivery to that port were manufactured steel products and the principal commodities out of New Orleans were petroleum products; that the substantial portion of the up-bound cargo originated in Baton Rouge; that in an emergency they did repair work to their watercraft in New Orleans; that he wouldn't know from his position in Pittsburgh, what fire, health or police protection was afforded their boats in Louisiana; that the five days free time allowed in New Orleans for unloading was arrived at through shipper experience, in loading a barge of 500, 600, or 700 tons would take about that much time. He presumes that the fire, police and health departments in New Orleans and the State of Louisiana are ready and available for service to their boats or crews when needed; that they attempt to fuel their boats in Baton Rouge, or if needed in New Orleans; that there is an average turn around of between thirty-five and forty days for a trip to New Orleans and back to Pittsburgh, and that he wouldn't know [fol. 315] whether any of their crews got any of their lay-off time in New Orleans during 1944.

He testified every cargo destined for New Orleans is delivered at a dock specified by the shipper and the cargo is unloaded by the consignee. The consignee under Interstate Commerce Commission Directive No. 100-B has five (5) days in which to unload the barge, but have unloaded sooner. It is removed by the Union Barge Line Corporation as soon as possible.

The Union Barge Line Corporation has no office in the City of New Orleans and has no terminal in the City of New Orleans. It had a man who attended to some of the business as directed by the Union Barge Line Corporation, but he did not attend to all of the details in connection with

the delivery of cargo and barges. He is Mr. Gayle Aiken, who has a shipping business of his own and has done some of the work of the Union Barge Line Corporation, incidental to his.

The Union Barge Line Corporation employs a shipper and a broker to handle its affairs in New Orleans, no particular barge or tow-boat is allocated to the New Orleans trade. Barges are not permitted to remain in New Orleans any longer than required for loading and unloading, as barges produce revenue in proportion as they move. A tow-boat is like a barge and an attempt is made to keep them moving as much of the time as possible. Emergency repairs are made at the closest point where the emergency occurs, but normally repairs are made in Pittsburgh. One of the tow-boats is not authorized by the same boat inspection service to go below Louisville.

Lawrence M. Baker, Auditor of Union Barge Line Corporation [fol. 316] testified the State of Pennsylvania does not tax this equipment, but the capital tax is paid to Pennsylvania since the corporation is a Pennsylvania corporation.

Alden N. Gee testified that four (4) barges UBL 117 to 120 did not spend any time in Louisiana during 1944. The barges UBL 122 and 123 did not spend any time in Louisiana in 1944. Likewise the barges UBL 125, UBL 129 and UBL 130 did not spend any time in Louisiana in 1944. Likewise UBL 137, UBL 138 and UBL 140. Likewise UBL 205, UBL 218, UBL 234, UBL 235, UBL 236, UBL 238, UBL 239, UBL 241, UBL 243, UBL 247, UBL 248, UBL 250, UBL 255, UBL 257, UBL 262, UBL 269, UBL 275, UBL 277, UBL 280, UBL 281, UBL 301 and UBL 302. The tow-boats Reliance and Dravo 42 did not spend any time in Louisiana in 1944. On cross examination he testified the Union Barge Line Corporation owned nine (9) tow-boats.

Lowell L. French testified substantially as the witness Osbourne.

Lawrence M. Baker, Auditor of the Union Barge Line testified that the Union pays no taxes to the State of Pennsylvania nor to any other State on their watercraft.

Alden W. Gee, Head of the Statistical Department of the Union Barge Line testified that the graphs and charts prepared by him of the movements of their tow-boats and barges only included their owned equipment and excluded [fol. 317] the watercraft they chartered; that no charts

were made of the chartered equipment; that some of their tow-boats made repeated trips into Louisiana during 1944 as well as some of their barges.

Mr. Cavanagh T. Bayard, Acting Chief of Harbor Police of the Port of New Orleans testified:

That he is employed by the Board of Port Commissioners of the Dock Board for the City of New Orleans; that the Dock Board employs sixty patrolmen and ten officers in patrolling along the wharves of the Mississippi River and the Industrial Canal in New Orleans to watch out for fires, smoking, stealing or similar situations; that it is the duty of these men to check on fires or disturbances on boats and barges moored in the City of New Orleans; that they maintain fire alarm systems all along the docks, and have a daily boat patrolling the water.

Mr. John A. McNiven, Chief Engineer of the Dock Board in New Orleans Testified:

That during the years 1943 and 1944, the Dock Board had two fire tugs, the "Sampson" and "Deluge" on duty twenty-four hours every day, maintaining steam at all times and manned by two shifts; that their purpose is to help save boats from sinking by use of siphons on fire tugs; that they were also used to extinguish fires, rescue drifting barges; that the "Sampson" maintained a crew of twenty men and the "Deluge" a crew of thirty men. He testified that the Dock Board gives ten days free time for wharfage after the first six days, and then the tariff begins over again; that their boat the "Deluge" is equipped to fight chemical and oil fires; that no charges are made to water-craft by the Dock Board for any fire service maintained or rendered by way of its fire boats.

[fol. 318] Mr. Frank P. Rivard, Chief Engineer of the New Orleans Fire Department Testified:

That the New Orleans Fire Department goes out to the wharves on the river to try to extinguish all fires on barges, boats and etc., that they answer alarms in from two to five minutes and their department is on call every day for twenty-four hours; that fire alarm boxes are maintained all along the wharves as well as service of the American Dist. Telegraph Company for reporting fires on the water front, for which no charge is made to vessels.

Captain F. J. Aragon, Captain of Police of the City of New Orleans Testified:

That the police of the City of New Orleans maintain a twenty-four hour police protection to the wharves, and boats moored on both east and west bank of the entire water front in the Parish of Orleans; that any robbery on any ship comes under their jurisdiction, and they maintain constant service to quell any disorders or crimes on any water craft for which police protection no charges are made to any vessels; that police protection extends to movable marine equipment such as ropes, anchors, engines, chains, etc., and it is within their jurisdiction to maintain discipline and order on all boats tied to the banks in the City of New Orleans; that the Police Department of the City of New Orleans have squad cars constantly available day and night which take in the entire water front on both sides of the river or any other water ways in the City of New Orleans; that it cost \$1,500,000.00 a year to maintain the New Orleans police department; that the Police Department has actually gone aboard boats and vessels in connection with any assault or crime or any other disorder where they may be needed, and with their squad cars and [fol. 319] radio they can get anywhere along the water front in from three to five minutes in the City of New Orleans.

Mr. E. B. McCarty connected with the Health Department of the City of New Orleans Testified:

That the City of New Orleans constantly maintained health service on the river front, particularly in a rat control program, which is rendered both to keep rats from coming off the ships onto the wharfs, or rats coming off the wharves to the ships moored along the side; that the City of New Orleans maintains this health service with no cost whatsoever to the watercraft along all the water front of the City of New Orleans; that they trap rats daily to examine them for typhus fever, bubonic plague, etc.

STIPULATION

It is stipulated between counsel of plaintiffs and defendants that while barges are moored in New Orleans and other ports in Louisiana no personnel is maintained by the Barge Line Companies on their barges.

ADMISSION

It is admitted in the record that none of the stockholders, officers, or directors of the American Barge Line Company, Mississippi Valley Barge Line Company or the DeBardeleben Coal Corporation reside in the State of Delaware, and that the Corporation Trust Company in Delaware is used by these corporations as agent for the service of process.

Mr. J. H. Cain, Chairman of the Louisiana Tax-Commission, testified he was Chairman of the Louisiana Tax Commission during 1943 and 1944, and took part in making an assessment of the floating equipment of the American [fol. 320] Barge Line, and arrived at the assessment "by calling on them for information and whatever other information that we could get." Called upon for the records, he said: "My records show that we listed the boats 'Pioneer', 'Patriot', 'National', 'Progress', and 'Jefferson', and more than two hundred barges at an estimated value of \$1,200,000.00." He arrived at the assessment by getting "information regarding other boats that were considered about equal in value to these in estimating the value". He did not get any information as to those particular tow-boats and barges and did not view them. He says the records fail to show a personal inspection of the property in question, but the record shows he talked to a Mr. Fee, the local agent, who gave him the names of these boats and admitted that they had over two hundred barges.

Mr. Cain never inspected any boat in Louisiana and cannot answer whether anyone connected with the Tax Commission made an actual inspection and appraisal of those particular boats, and the only record he has with reference to the assessment of these boats and barges is "Assessed, \$400,000.00", and that the correspondence with the company did not give him the value of any of the boats or barges, but "they refused to give us that information."

An examination of the correspondence with the American Barge Line failed to show that they gave any value to any of the boats, and the conversation with Mr. Fee merely advised him as to the number of tow-boats and the number of barges owned by the American Barge Line Company. He placed a value on tow-boats and barges without ever seeing the tow-boats and barges. He ar-

gived at the value placed upon the tow-boats and barges "by estimating it from information I had from other companies who did give us the value on like property" [fol. 321] and he adopted the value of the tow-boats and barges of the American Barge Line Company from values given by other lines.

He says he estimated the value of all tow-boats and barges of the American Barge Line at \$1,200,000.00 and took one-third of that value for assessment purposes in Louisiana. When asked how he arrived at the one-third which he took as a basis of assessment, he said: "Well, I don't know that I could hardly answer that question, except trying to be fair"; that "I didn't get too much value on theirs." When asked if he had some facts upon which he based his conclusion of fairness, he replied: "Well, since they would give us no information, I merely estimated that they were in the State, or did at least a third of their business in the State, and arrived at one-third." When asked how he estimated that one-third of their business was done in the State, he replied: "Purely an estimation". When asked upon what that estimation was based, he replied: "That's a pretty difficult question. I don't know that I could answer it, sir." When asked if it were not a fact that he had no basis for the selection of one-third, he replied: "Well, without information, I had to arrive at something. Knowing that they did own this property, admitted by Mr. Fee, and doing business in Louisiana, I felt that they should pay some taxes." He stated his theory was that if they did business in Louisiana that their property used in connection with that business was subject to ad valorem tax.

When shown Exhibit Number One, showing the Steamer Jefferson was in Louisiana only thirty-three days, seven hours and forty-five minutes, and asked how that effected his belief as to the correctness of his assumption that one-third of the time was the proper time upon which to base the assessment, there was an objection on the [fol. 322] ground that the amount of the assessment was not at issue which was sustained.

Mr. Cain stated that he did not know how long the Steamer Jefferson or the Steamer National were in the State of Louisiana, and did not know what time each one of these boats was out of the State of Louisiana. When asked if he had made the assessment upon a mileage basis, he replied;

"We made the assessment on what information we could get. You could call it a mileage basis, or whatever you choose. If they had given us the mileage basis which we asked for we might have put it on that basis. But in the absence of any information, we did the best we could, sir, in trying to be fair with these people, whom we considered owed taxes to Louisiana." When asked if his final statement was that he didn't have any facts upon which to make the assessment and, therefore, made it upon a basis which he considered fair, he answered: "I think we had some facts, sir, to base our assessment on, first, because we know—and I don't think it's denied—that they do operate in Louisiana; and further, the conversation that I had with Mr. Fee, who stated he was the agent of the company, admitted that he owned these boats and the barges." When asked if Mr. Fee told him if the barges and towboats had remained in Louisiana long enough to become incorporated in the general mass or property in Louisiana, he replied: "The record does not so state."

When asked if he knew how many times a year the "Pioneer", the "Jefferson", the "Patriot" and the "Progress" came into Louisiana, he answered that he did not know. When asked if he made the assessment upon a ratio basis of the use of those vessels in other states and in Louisiana, according to the mileage travelled in and out of Louisiana, he answered: "I assessed them on what information I could [fol. 323] gain, both from questioning and writing the company, and for other information we could gain." When again asked whether he had used the ratio of mileage for making the assessment, there was an objection that the method of assessment was admitted in the pleadings and was not at issue, which was sustained.

When asked if he knew the mileage covered by the towboats and barges outside of Louisiana, he answered he did not know, and did not know the mileage covered in Louisiana. When asked if, notwithstanding he did not know the mileage outside of Louisiana and the mileage in Louisiana, he had used a proportionate mileage basis for making the assessment, he answered: "It seems that is what we did." He did not know the exact distance on the Mississippi River from the state line to the City of New Orleans.

He testified the date for making the assessments of property in New Orleans was August 1, but he did not know whether the Steamer Jefferson was in Louisiana on August

1, and that is equally true with the other steamers, and although the assessments were to be made on August 1 he did not know whether these steamers were or were not in Louisiana. When asked if the assessment had to be made on the affirmative facts of the presence of these boats in Louisiana, he answered: "I don't think so, sir." When asked that without knowing whether the property was from some other state, he answered: "that I based the assessment on what information I could get and the conversation with your agent here."

He was asked if it were not a fact that Mr. Fee did not tell him what tow-boats or barges were in Louisiana on August 1, and which had been here prior to that time sufficiently long to acquire a status, he said: "I admitted that he did not give me that information but he did not say they were not here, and because he did not give that information I had to assume, sir, they were here and subject to taxation." When asked if his assessment rested upon the assumption they were here and not upon the fact of their presence, he answered: "I assessed them on the best information I could get." He did not know whether they were here, and said "I believe I have told you I did not know whether they were here or not."

On cross examination he testified that the company refused to give him information and because of that fact he made the assessment. When asked as to whether he discussed with Mr. Fee the operation of these tow-boats and barges, he answered: "I couldn't tell you about the conversation, other than that he did give me the names of these boats, and also told me that they had some two-hundred barges." When asked whether he had discussed with Mr. Fee the operation of this barge line in Louisiana during those years, he said, "Well, I am sure that I did discuss that with him, but I can't tell you what was discussed." He said he believed that the American Barge Line operated in and out of New Orleans with their tow-boats and barges during 1943 and 1944.

Mr. Cain was shown a return of Mississippi Valley Barge Line Company upon which appeared the words "and \$450,000.00" in his hand-writing. He said, "I could not tell you hardly, except to say it's an arbitrary value after trying to get the facts from the taxpayer." He could not say of his own knowledge how much of the equipment of the Mississippi Valley Barge Line Company was in Louisiana at

[fol. 325] the time the assessment was made. The assessing date outside of New Orleans was January 1st, inside New Orleans August 1st, and he did not know how much of the water equipment of Mississippi Valley Barge Line Company was in New Orleans in August 1943. When asked if he made the assessment on a mileage basis, he answered: "Well, I could not say we made our assessment on a mileage basis, we are trying to ascertain what property the Mississippi Valley Barge Line Company owned and then it appears from the record here that we estimated a value on all of their holdings and then made an arbitrary assessed value." When asked if he had not been advised by the taxpayer it would not report this property because it had no situs in Louisiana, he answered: "We have what is supposed to be a report from them, but rendered no water craft whatever, but we did ascertain that they owned considerable water craft and made an arbitrary assessment on the information that we received outside of the report that was made."

He said the assessment was made mostly on the information received from Mr. Mann and file does not show there is any basis for the assessment other than the report by Mr. Mann. He said he would not say the assessment of \$450,000.00 was on a mileage basis, but "I would have to answer that it is purely an arbitrary figure because we failed to get the information from the taxpayer."

On cross-examination, he said: "He learned that the taxpayer had four (4) tow-boats and the Commission put a valuation of \$50,000.00 each and also learned it had eighty (80) barges and placed the valuation of \$1,600,000.00 on the barges, or a total valuation of \$1,800,000.00. The \$450,000.00 assessed in Louisiana appears to be about 25% of [fol. 326] the total estimated value. The Commission figured that 25% instead of the whole 100% would be a fair value for the amount of property in Louisiana. The Louisiana Tax Commission left 75% of the total valuation for the taxes of other states. He was not able to say that the 25% was figured on a mileage basis or just for the time this water equipment was in Louisiana and said: "I am not in a position to say it was a mileage basis, it was only an arbitrary estimated value because we failed to get any further information."

On re-direct examination, he testified that he did not know the length of time each one of the tow-boats remained in

Louisiana and likewise did not know how many days the barges remained in Louisiana. He said, as a matter of fact, he could not testify that all eighty (80) of these barges had been in Louisiana during 1943, but took the valuation of 1,800,000.00 and attributed 25% value to the property in Louisiana.

When asked how he arrived at the 25% appropriation which was adopted, he said: "Just an ordinary figure, they might have been here a 100% of the time, or they might have been here more than 50% of the time, but we figure that that would be a fair assessment for the property in Louisiana."

"Question: Do you know any definite basis for the adoption for 25% any more than 50% or 10%?"

"Answer: No, sir."

Mr. Cain testified that the Louisiana Tax Commission arrived at the value of the boats and barges of the American Barge Line Company from information regarding other boats that they considered about equal in value to the [fol. 327] boats of the American Barge Line Company, and accordingly estimated the value of the boats of the American Barge Line Company; that the American Barge Line Company refused to give the value of their boats and barges to the Louisiana Tax Commission; that there are billions and billions of dollars worth of property in the State of Louisiana that he never sees and yet places a value on it; that the Tax Commission allotted one-third of the total assessment of the American Barge Line Company boats to Louisiana, such one-third amounting to \$400,000, because he knew that they owned this property, that they did business in Louisiana and that they should pay some taxes; that the Louisiana Tax Commission did the best they could under the circumstances in the absence of the American Barge Line Company giving the Commission the necessary information, and that the Louisiana Tax Commission tried to be fair with the American Barge Line Company in the assessment placed on their boats.

He was asked by counsel for the Barge Line:

"Question: Do you tax the water equipment of the United Fruit Company, which is a Delaware Corporation, because it operates into the port of New Orleans?"

Mr. Cain further testified that they used the proportionate mileage basis for the assessment. He further testified that it was the failure of the American Barge Line Company to accede to the request of the Louisiana Tax Commission and furnish certain information which made it impossible for the Louisiana Tax Commission to make an assessment other than the assessment that was actually made.

[fol. 328] Mr. Cain further testified that Mr. Fee, the agent of the American Barge Line Company, New Orleans, admitted that the American Barge Line Company operated in and out of New Orleans in the State of Louisiana with their tow boats and barges during the year 1943 and 1944; that he received the information as to the number of boats and barges of the American Barge Line Company that came into Louisiana from Mr. Lee, the New Orleans agent of the American Barge Line Co.

Mr. Cain testified that the duties of the Louisiana Tax Commission was to review the tax rolls as rendered by the assessors and to correct any errors that may be found. He stated that he seldom ever sees any property on which assessments are made; that the Commission generally makes the assessment from the reports rendered by the taxpayers themselves. He stated that the Mississippi Valley Barge Line would not render any water-craft on their tax report, but the Tax Commission ascertained that they owned considerable watercraft and made an arbitrary assessment on the information that the Commission received outside of the Mississippi Valley report, and that an arbitrary assessment was placed on their water-craft because of their failure to get the information from the Mississippi Valley Barge Line; that it was disclosed to the Tax Commission that the Mississippi Valley had four tow-boats and eighty barges they operated at various times during the year 1943 in Louisiana, and that the Tax Commission placed an estimated value of \$50,000 each on the tow boats of the Mississippi Valley Barge Line and an estimated value of \$20,000 each on the barges of the Mississippi Valley Barge Line, and from this total estimated value of \$1,800,000, the Louisiana Tax Commission placed an assessment for Louisiana against this water-craft equipment of \$450,000, which would be [fol. 329] about twenty-five per cent of the total estimated value; that the Commission only took twenty-five per cent of the total estimated value because it figured that this

would be a fair value for the amount of property in Louisiana; that one of the officials of the Mississippi Valley Barge Line Company in St. Louis had given them the information in a letter that this Company owned four tow-boats and eighty barges; that the Tax Commission left seventy-five per cent of this valuation for other States in which this Company operated to tax this water-craft, and that the assessment was an arbitrary estimated value because the Mississippi Valley Barge Line refused to give them the necessary information; that he has actually seen the boats of the Mississippi Valley Barge Line going up and down the Mississippi River, and that they had the name "Mississippi Valley Barge Line Company" on the side of their boats; that the Louisiana Tax Commission did not have the records nor access to the records of the Mississippi Valley Barge Line Company to show their actual equipment which stayed in New Orleans permanently or came here at periodic intervals; that the Tax Commission sent their reports to the office of the Mississippi Valley Barge Line Company to have them give the Tax Commission this information; that the Mississippi Valley Barge Line Company refused to give the information which is the reason for the arbitrary assessment.

Mr. Sidney J. Mann testified that during 1943 and 1944 he was a field inspector for the Louisiana Tax Commission and had never been employed on or about any watercraft operating on the Mississippi River or any other waterways prior to his employment by the Louisiana Tax Commission. He was a prohibition agent during the prohibition period. He was the field inspector who made the reports upon which [fol. 330] were based the assessments against the various plaintiffs. He testified that the various plaintiffs had refused to give him any information regarding their equipment, notwithstanding a request for information. He said that the entire watercraft of the American Barge Line was valued at \$1,200,000.00 and that one third of the value had been allocated to Louisiana for assessment purposes. The file which he produced merely showed the value and the allocation of one third, but the file did not show any reference to mileage. He said that the American Barge Line had refused to give him the mileage covered by equipment throughout the year and the mileage in Louisiana.

He did not know, nor did he ascertain by actual investigation the number of boats owned by the American Barge

Line, and never furnished any information to the Commission other than the fact that letters had been written requesting information, and his total participation in the assessment was simply to say that Mr. Johnson, representing the Tax Commission, had requested the information, which was not given. He stated: "As a matter of fact, I didn't know what the mileage was in the State of Louisiana because they had refused to give us the information."

He testified substantially the same with reference to the DeBardeleben Coal Corporation. He said he had nothing to do with making any assessment of the water equipment of the DeBardeleben Coal Corporation. He says the DeBardeleben assessment was placed at \$212,500.00 and that takes an over-all, of all the barges; that in the back of the return DeBardeleben had rendered one collier, one derrick, barge 15 and spare parts, under their watercraft. They made a return as if all this equipment was in the City of [fol. 331] New Orleans. He said there was no record of the number of barges upon which the assessment was based. The witness admitted that the document to which he was referring was a balance sheet required by the Tax Commission, and that the rendition says: "Floating watercraft, Harbor: New Orleans; \$117,000; end of taxable year, \$98,487." The witness admitted that the balance sheet represented the property owned by the corporation within and without Louisiana. The witness testified as follows:

"Q. Will you look in that file and see if there is any thing in that file which shows the number of barges which entered into the assessment.

"A. The assessment is placed at \$212,500, and that takes an over-all, of all the barges. Now, in the back, the DeBardeleben have rendered one collier, one derrick, barge 15, and spare parts, under their watercraft.

"Q. Do you know, as a matter of fact, that all of that equipment was permanently located in the City of New Orleans, and was returned by the DeBardeleben Coal Corporation for assessment purposes?

"A. They made that return as if it was in the City of New Orleans.

"Q. Yes. Now then, how many barges formed the basis of the assessment which has been added?

"A. There is no record of the number of barges.

"Q. Now, is there any fact in that file which shows the basis of the assessment?

"A. There is a rendition here, made by the DeBardeleben Coal Company. It says, "Floating and other marine equipment." And they have the value as carried out here, as \$425,183.

"Q. Well, that's the equipment, isn't it, Mr. Mann, that we are talking about being in the harbor of New Orleans and being located permanently here?

[fol. 332] "A. No, sir, I would judge that would be all of their equipment, Mr. Moreno floating and other stuff.

"Q. Well now, that's merely a balance sheet that is required by the Tax Commission, isn't it?

"A. That it would be a rendition made by the company, I'd say.

"Q. But it's the copy of the balance sheet, isn't it?

"A. Yes, sir.

"Q. And it is not a rendition for tax purposes of the property which is subject to taxation?

"A. Here is their rendition on this, Mr. Moreno. It says, "Floating Watercraft, Harbor: New Orleans; \$117,000; end of taxable year, \$98,487."

"Q. Now then, that is a different amount from the amount you just read off?

"A. Yes, sir, that is on the balance sheet.

"Q. Now, as an employee of the Tax Commission, don't you know what you have asked for is a balance sheet which includes all of the property located in Louisiana and which is not located in Louisiana? Isn't that right?

"A. Well, we don't ask for the balance sheet. We ask that their equipment is, for every corporation in the State; and in the—on outside corporations, we ask them what their over-all mileage would be in the state, over the United States, and what would it be in the State of Louisiana.

"Q. Mr. Mann, that isn't what I am asking you. Isn't it a fact that you request of the DeBardeleben Coal Corporation a balance sheet showing all its assets, regardless of where located?

"A. This is what—

"Q. Just a minute. And that balance sheet is shown on a white sheet of paper, headed, 'The DeBardeleben Coal Corporation Balance Sheet—January 1—December 31, 1941.' Isn't that correct?

[fol. 333] "A. That's there, but this is what the Tax Commission—

"Q. Won't you please answer the question; and I'll ask you others. Isn't it a fact that you request them for a balance sheet showing all of their property, all of their assets, regardless of where located?

"A. Well, I can't answer that as I do. I don't know.

"Q. Well, take a look at that balance sheet and tell me if that balance sheet which I have now handed you, which I have just described, does not represent all of the assets of the DeBardeleben Coal Corporation.

"A. Mr. Moreno, I can't—"

Mr. Lenfant: If it please the Court, I think that is beyond the province of the witness to answer whether that reflects all of the assets of the DeBardeleben Coal Corporation.

I don't know.

The Court: As a matter of fact, I think the point is well taken, Mr. Moreno. Your question was simply whether or not there was required,—

Mr. Moreno: Yes, sir.

The Court: —of the company, the production of its balance sheet, covering all of its property, whether in the State of Louisiana alone or wherever it might be.

Mr. Moreno: That's right, sir.

[fol. 334] The Court: Now, the witness should answer the question. Answer it.

A. Yes, sir.

By Mr. Moreno:

Q. Now then, this sheet which I show you, headed, "Taxpayer's Report, 1944; Received April 15, 1943." Isn't that the return for tax purposes, made by the DeBardeleben Corporation?

A. Yes, sir.

With regard to his knowledge of the towboats and barges which was the subject of the litigation he was asked if he had not testified in a deposition whether the only view he had of the towboats and barges was when he looked out of the fifth floor window of the Capitol Building at Baton Rouge and saw the boats going up and down the River. He answered: "No, sir. I think I testified, Mr. Moreno, that I saw them going along the river, from the Fifth Floor of the Capitol; I saw them when I was crossing the river on

the ferry at Baton Rouge; I saw them when I crossed the ferry at Donaldsonville; and at the Jackson ferry crossing; that on other ferries on the river." He was asked as to whether the only time he saw the boats, "so as to arrive at a value; was when you viewed them from the Fifth Floor of a building in Baton Rouge and when you saw them while crossing on ferry boats", and he answered: "Yes, sir." He made no inspection of either the towboats or the barges. He did not know how many barges he saw going up and down the river, but "I have seen lots of them, over a period of years." He didn't see every barge owned by the Mississippi Barge Line, and when asked if he knew how many [fol. 335] barges had come into Louisiana, he answered, "Well, I'll tell you, I do, if we can get—when we went to St. Louis and took the logs of those boats, according to the information of the superintendent there, all 80 of those barges came to New Orleans." He, himself, did not know of his own knowledge how many had come into Louisiana. And he did not know how many of the Union Barge Line barges had come into Louisiana.

On cross examination he testified he had written for information as to the number of barges and the mileage, which had been refused.

There is introduced the map showing the distance along the waterways of Louisiana purporting to have been issued by the DeBardeleben Coal Corporation, which is admitted over objections, but admitted only as to the DeBardeleben Corporation and not as to the other defendants. This map was in the files of the Tax Commission since 1943 but the part of 1943 is not shown. The witness stated that he would show the points to which the DeBardeleben Corporation could operate its Coyle Lines, but the witness did not know over what mileage it had operated, based upon the map.

Charles C. Zatarain, another member of the Commission, testified that he had never seen any of the taxed equipment in the sense of examining it. He testified as follows:

"Question. You know nothing of the values of the property of the Mississippi Valley Barge Line Company which enters into this assessment of \$450,000.00?"

"Answer. No, I do not."

[fol. 336] "Question. What connection, if any, do you have in connection with this assessment of \$450,000.00?"

"Answer. Well, the matter had been investigated by field men and worked by the staff by Mr. Cain and presented to the Commission and we agreed to the figures that they arrived at."

"Question. On the same basis as indicated by the testimony by Mr. Cain here today?"

"Answer. That is right."

Mr. Zatarain testified that the Commission had field men and assessors, who make the assessment, and that their procedure on this water craft was on the basis of mileage, as is the case of rolling stock; that he did not know the mileage of the American Barge Line Company boats in Louisiana as compared with their total mileage, in the absence of the American Barge Line Company giving the Tax Commission this information, any more than he would know the mileage made by railroad cars owned by a railroad.

He stated that the assessments should be based on the report filed by the taxpayer, and that in the absence of such report, after requesting it, the Commission would make an assessment comparable with assessments of similar property; that when they make an assessment on the mileage, if it is not in line with the records of the Barge Line Company, it is up to the Barge Line Company to present their case to the Commission or assessor, and show reason why there should be an adjustment; that the file of the Louisiana Tax Commission shows that the Commission made a second request of this Barge Line Company, which information had never been received. He stated that Louisiana is one of the largest terminals of the American Barge Line Company, and it is presumed one-third of the total mileage allotted to the State of Louisiana would be fair to this taxpayer; that the Commission had no other procedure to follow when the American Barge Line Company refused constantly to give the information requested. He stated that the mileage basis of the DeBardeleben Coal Corporation would be different because DeBardeleben operated principally out of New Orleans with their boats, and that New Orleans is their headquarters.

Mr. Zatarain further testified that the Union Barge Line Corporation stated that they did not intend to make a rendition of their watercraft to the Louisiana Tax Commission; that it was likewise necessary to make an assess-

ment on the Union Barge Line Corporation watercraft in the absence of specific information from them; that they had to make an estimate because of the inability of the Tax Commission to secure the information from the taxpayer.

He further testified that the matter of the assessment of the Mississippi Valley Barge Line watercraft had been investigated by the Tax Commission's field men and worked by their staff with Mr. Cain and presented to the Tax Commission, and the Tax Commission agreed to the figures arrived at.

He said he was a member of the Louisiana Tax Commission during 1943 and 1944 said that he did not make the actual assessment, because they have field men and assessors who make the assessments. He did not recall taking any active part in the assessment and did not know how it was made. He said: "The usual procedure is on a basis of mileage, mileage covered in the State, just the same as rolling stock." He did not know what mileage was covered by the tow-boats and barges within and without Louisiana, [fol. 338] and did not know the proportion of mileage in Louisiana as compared with the total mileage of the tow-boats and barges, "not anymore than I would understand or know the mileage made by railroad cars"; that all he did was to acquiesce in the assessment. He did not know by whom the report was made to the Louisiana Tax Commission.

On cross examination he testified that assessments are made upon field reports where the taxpayers, when requested, refuse to sign their report; "in the absence of any signed report, which is the procedure that should be followed; their only alternative, after making several requests, would be to put an arbitrary assessment. Whether this party filed a report, I don't know. I don't have a file here to indicate that they did or they didn't." When asked as to the use of the word "arbitrary" he said it did not mean just to stick on an assessment but to make the assessment compare with the assessments of similar property on which returns have been made. He said by an arbitrary assessment, if the property is *the property* is subject to the taxing power of Louisiana and a taxpayer does not make a return, he puts a value upon the property "based on our estimation of the mileage covered and the amount of equipment, and so forth." But if he did not know what the mileage is, "well, we have to estimate the mileage within the State

and anticipate the mileage that they would cover from entering the State to its terminals, and then out." He did not know the mileage covered by the tow-boats and barges outside of Louisiana. He could only estimate the mileage in Louisiana as to what portion of the mileage between the two terminals. "If they plied between St. Louis and New Orleans we would have to estimate it on that basis." He estimated the mileage between St. Louis and New Orleans "on the number of pieces of equipment and the number of [fol. 339] miles between the state line and the terminal here." Asked how he would reach his mileage if he did not know the mileage, he said: "That would be very easy to get by a reference to the mileage schedule."

"Question. Suppose the tow-boat did not come all the way from St. Louis, but operated down to Memphis and went back to St. Louis, or came down to Helena, Arkansas, and went back to St. Louis, how would you arrive at a mileage proportion?"

"Answer. Well, their rendition to the Tax Commission would show what boats were in the State and what period they were here."

"Question. Now, in the case of the American Barge Line, they did not make such a rendition, did they?"

"Answer. I don't know."

He was asked: "How could you arrive at the mileage under this circumstance?" and answered: "Just on the basis outlined there just now, on the mileage, we might anticipate, and then, if in their opinion it is not in line with their records, it is up to them to present their case to the Commission or to the Assessor; and show reason why it should not be adjusted." When asked if the taxpayer had not made a rendition, if it were not a fact that the Commission "just simply arbitrarily picked the mileage?" he answered: "Well, that would be based upon the number of pieces of equipment they have." He was then asked how he would figure the equipment in relation to the mileage, and answered: "If the amount of the water covered by them is one-third in Louisiana, and they had five, ten or twenty boats, it would be rather easy to determine the proportion allocated to Louisiana." He said he did not know the mileage traveled inside of Louisiana and outside of Louisiana. He was then asked if, notwithstanding the absence of such [fol. 340] knowledge, he allocated one-third of the equip-

ment to Louisiana, he answered: "The file might indicate what formula was used." When asked to look at the file, he said: "There's no report or rendition in the file. There is a copy of a letter from our office making a second request for information which had not been received." When asked if the file showed any basis for arriving at the one-third valuation, he answered that he found copies of letters requesting the information but did not find any facts which would show any basis for allocating one-third of the value of the entire property for tax purposes. When asked if there is anything which would justify the choice of one-third for assessment purposes, he answered: "There is nothing indicating—it might have been one-half instead of one-third. Or might have been three-fourths in the absence of any real basis for making the assessment." When asked if it were a fact one-third was chosen because it was believed to be fair, but there is no basis of reaching the conclusion of fairness he answered: "This file does not indicate it," and without any basis for choosing one-third the assessment was made "in the absence of the information having been furnished. I would say that would be arbitrary"; that the choice would be wholly an arbitrary choice, and that he did not know whether one-third or one-fourth or one-fifth would be the proper proportion to be allocated to Louisiana. He said: "Louisiana is one of their largest terminals, and it is presumed that one-third would be fair to the taxpayer." When asked why he said "Louisiana is one of the largest terminals", and where others were located, he answered: "St. Louis; I don't know the others", and had no basis for making that statement "except the fact this is the largest terminal on the Mississippi River, and I don't think they would carry that much traffic in Vicksburg or 'Memphis.'" He did not know the point of calls of the taxpayer on the [fol. 341] Mississippi River and had no basis for making the statement that one of the largest terminals is in Louisiana because he had no basis of comparison, and that statement is wholly baseless because he does not know where the terminals are.

He also testified that the same method was used in connection with the Mississippi Valley Barge Line and the DeBardeleben Coal Company, and the Union Barge Line, and for the same reasons.

Mr. H. H. Huckaby, a member of the Tax Commission, testified substantially as had Mr. Zatarain.

Mr. Huckaby stated that the Louisiana Tax Commission sits more or less in judgment on assessments by field officers, and pass-judgment whether the amount is proper or not.

He stated that the Barge Line Companies were requested to furnish the mileage in Louisiana as compared with their total mileage and other pertinent information, which information these Barge Line Companies refused to give.

Mr. John H. Fetzner, another member of the Louisiana Tax Commission, also testified substantially as had Mr. Zatarain.

[fol. 342] Mr. Fetzner further said the Louisiana Tax Commission bases its opinion on the information it gets from its field assessors and the members do not investigate the property themselves; that the Tax Commission has no other source of information concerning the movements of the vessels of these Barge Line Companies, other than the information which is sought from the owners, or which their field inspectors can get for the Commission, and that he knows of no other office where this information would be recorded, and that the sole source of the information is the taxpayer himself; and when a taxpayer has refused the information, the Commission must rely on their fieldmen's opinion.

Mr. John J. Brennan, Chief Clerk to the Assessor of the First Municipal District of New Orleans, testified:

That the Louisiana Tax Commission by resolution ordered the assessors in the City of New Orleans to place the assessments on their books against the various Barge Line Companies operating in New Orleans.

IN THE DISTRICT COURT OF THE UNITED STATES FOR THE EAST-
ERN DISTRICT OF LOUISIANA, NEW ORLEANS DIVISION

Civil Action No. 844

DeBARDELEBEN COAL CORPORATION

vs.

JESS S. CAVE, Commissioner of Public Finance and Ex-Officio
City Treasurer

NOTICE OF APPEAL TO UNITED STATES CIRCUIT COURT OF
APPEALS, FIFTH CIRCUIT—Filed January 13, 1947

To the Honorable Court Aforesaid:

Notice is hereby given that Lionel G. Ott, Commissioner of Public Finance and Ex-Officio City Treasurer of the City [fol. 343] of New Orleans, substituted Public Officer for Jess. S. Cave, Commissioner of Public Finance and Ex-Officio City Treasurer of the City of New Orleans, defendant above named, hereby appeals to the Circuit Court of Appeals for the Fifth Circuit from the final judgment entered in this action on October 6, 1946.

(Sgd.) Henry G. McCall, City Attorney. Alden W. Muller, Assistant City Attorney. Howard W. Lenfant, Of Counsel, Attorneys for Appellant, Lionel G. Ott.

Room 203, City Hall, New Orleans, La.

New Orleans, La., January 13, 1947.

IN UNITED STATES DISTRICT COURT

[Number and Title Omitted]

ORDER FIXING SUPERSEDEAS BOND—Filed January 13, 1947

To the Honorable Court Aforesaid:

On motion of Lionel G. Ott, Commissioner of Public Finance and Ex-Officio City Treasurer of the City of New Orleans, substituted successor of Public Officer Jess S. Cave, appearing herein through undersigned counsel, and

on suggesting to this Honorable Court that mover and defendant herein, the said Lionel G. Ott, in his said official capacity, desire to file a notice of appeal and also at the same time desires to file a supersedeas bond for stay of execution under judgment rendered by the Trial Court in this matter;

[fol. 344] And on further suggesting to this Honorable Court that the money sought to be recovered in this cause is being kept separate and apart and segregated from the general funds of mover herein and is therefore amply secured in accordance with Rule 73 of subsection (d) of the Federal Rules of Civil Procedure and that a supersedeas bond in the full amount of the judgment is therefore unnecessary.

It Is Ordered that defendant, Lionel G. Ott, in his said official capacity, mover herein, be and he is hereby authorized and permitted to file a supersedeas bond in the amount of Two Hundred Fifty Dollars (\$250.00) in the above numbered and entitled matter and that the execution of judgment be stayed in this matter to the same extent and purpose as if a supersedeas bond had been given in the full amount of judgment rendered herein.

New Orleans, La., January 13th, 1947.

(Sgd.) Wayne G. Borah, Judge. Henry G. McCall, City Attorney. Alden W. Muller, Assistant City Attorney. Howard W. Lenfant, Of Counsel, for Mover and Defendant herein.

Room 203, City Hall, New Orleans, La.

[fol. 345] Plaintiff, DeBardeleben Coal Corporation, through undersigned counsel, does hereby waive notice and hearing on the above motion and concurs therein and consents and agrees that supersedeas bond in the amount of \$250.00 is ample and sufficient in this matter.

Arthur A. Moreno, Attorney for Plaintiff.

IN UNITED STATES DISTRICT COURT

[Number and Title Omitted]

SUPERSEDEAS BOND—Filed January 13, 1947

Know all men by these presents, that I, Lionel G. Ott, substituted Public Officer for Jess S. Cave, Commissioner

of Public Finance and Ex-Officio City Treasurer of the City of New Orleans, as principal and American Employers' Insurance Co. of Boston, as surety, are held and firmly bound unto DeBardeleben Coal Corporation, in the sum of Two Hundred Fifty Dollars (\$250.00) to be paid to the said DeBardeleben Coal Corporation, its attorneys, successors, or assigns, to which payment we bind ourselves, our successors and assigns, jointly and severally.

Sealed with our seals and dated this 13th day of January, 1947.

Whereas, on October 16, 1946, in an action in the District Court of the United States for the Eastern District of Louisiana, New Orleans Division, between DeBardeleben Coal Corporation, plaintiff, and Lionel G. Ott, defendant, a judgment was rendered against the said Lionel G. Ott [fol. 346] and the said Lionel G. Ott has duly filed a notice of appeal from said judgment.

Now, the condition of this bond is that if the said Lionel G. Ott shall prosecute his appeal with effect and satisfy the said judgment in full together with costs, interest, and damages for delay, if for any reason the appeal is dismissed or if the judgment is affirmed and satisfied in full or such modification of the judgment and such costs, interest, and damages as the Appellate Court may adjudge and award, then this obligation to be void, otherwise to remain in full force and effect.

(Sgd.) L. G. Ott, American Employers Ins. Co., by
Hilton Sandoz, Attorney-in-fact.

Witnesses:

(Sgd.) Alden W. Muller, Mildred C. Stoddard.

Approved this — day of —, 1947.

— — —, United States District Judge.

Hardin & Ferguson, Inc., (Sgd.) N. Ferguson, Vice-Pres.

[fol. 347] IN UNITED STATES DISTRICT COURT

[Number and Title Omitted]

DESIGNATION OF CONTENTS OF RECORD ON APPEAL—Filed
February 20, 1947

Clerk, United States District Court, Post Office Building,
New Orleans, Louisiana.

In accordance with rule 75 (f) of the Rules of Civil Procedure, DeBardeleben Coal Corporation, through its attorneys, Lemle, Moreno & Lemle, Hibernia Bank Building, New Orleans, Louisiana, and Lionel G. Ott, Commissioner of Public Finance and Ex-Officio City Treasurer, substituted public officer to Jess S. Cave, through his attorneys, Henry G. McCall, Alden W. Muller, and Howard W. Lenfant, City Hall, New Orleans, Louisiana, by joint stipulation, hereby designate to constitute the record of the proceedings herein for the transcript of appeal to be sent to the United States Circuit Court of Appeal, the following numbered pleadings and the motions, minutes, orders, and judgments hereinafter set forth:

1. Original bill of complaint, filed June 24, 1944.
2. Answer filed on July 13, 1944.
3. Minute entries appearing in submission on January 14, 1946, and January 15, 1946.
4. Narrative of the evidence, findings of fact, conclusions of law and order to enter judgment of Honorable Adrian J. Caillouet, Judge, originally dated September 5, 1946, as [fol. 348] amended and corrected by order dated September 13, 1946, comprising thirty-eight typewritten pages, together with order making corrections in said narrative of evidence, findings of facts, and conclusions of law dated September 13, 1946, by Honorable Adrian J. Caillouet, Judge, comprising one typewritten page.

Starting Copy 348-357—9.7 A. M.

5. Judgment entered October 16, 1946.
6. Notice of appeal filed January 13, 1947.
7. Motion to fix supersedeas bond filed January 13, 1947.
8. Order permitting filing of supersedeas bond entered January 13, 1947.

9. Supersedeas bond of appeal filed January 13, 1947.
10. Joint designation of contents of record.

(Sgd.) Arthur A. Moreno, Lemle, Moreno & Lemle, Attorneys for DeBardeleben Coal Corporation, Appellee. Henry J. McCall (L), Alden W. Muller (L), (Sgd.) Howard W. Lenfant; Attorneys for Lionel G. Ott, Commissioner of Public Finance and Ex-Officio City Treasurer, Appellant.

[fol. 349] IN UNITED STATES DISTRICT COURT

(Number and Title Omitted.)

SUPPLEMENTAL JOINT DESIGNATION OF CONTENTS OF RECORD
ON APPEAL—Filed August 6, 1947

Clerk, United States District Court, Post Office Building,
New Orleans, Louisiana.

In accordance with rule 75 (f) of the Rules of Civil procedure, DeBardeleben Coal Corporation, through its attorneys, Lemle, Moreno & Lemle, Hibernia Bank Building, New Orleans, Louisiana, and Lionel G. Ott, Commissioner of Public Finance and Ex-Officio City Treasurer, substituted public officer to Jess S. Cave, through his attorneys, Henry G. McCall, Alden W. Muller and Howard W. Lenfant, City Hall, New Orleans, Louisiana, by joint stipulation, hereby designate, in addition to the original declaration of contents on appeal, the following numbered supplemental testimony, exhibits, statements, motions, and designations to constitute the record of the proceedings herein for the transcript of appeal to be sent to the United States Circuit Court of Appeal:

11. Condensed narrative of entire testimony—by agreement of counsel.

12. Exhibit—"Huckaby III".

13. Statement of points relied on by defendant in the appeal.

[fol. 350] 14. Joint motion for certain exhibits to go up in the original.

15. Supplemental joint designation of contents on appeal.

(Sgd.) Arthur A. Moreno, Lemle, Moreno & Lemle, (Lemle, Moreno & Lemle), Attorneys for Appellants. (Sgd.) W. C. Perrault (L), B. I. Cahn (L), Henry G. McCall (L), Alden W. Muller (L), H. W. Lenfant, Attorneys for defendant, Appellants.

IN UNITED STATES DISTRICT COURT

(Number and Title Omitted.)

STATEMENT OF POINTS RELIED ON BY DEFENDANTS-APPELLANTS
IN THE APPEAL—Filed August 6, 1947

1. That the Trial Judge erred in holding that the State of Louisiana and the City of New Orleans do not have the right, under the law, to assess an ad-valorem tax on the tow-boats and barges of the American Barge Line Company, the Mississippi Valley Barge Line Company and the Union Barge Line Company on the proportionate rule basis; that is, the State of Louisiana and the City of New Orleans assessing but a part of the valuation of these tow-boats and barges for the mileage travelled in New Orleans [fol. 351] and Louisiana and reserving to the other States through which they operate, the right, if they so desire, to assess these tow-boats and barges, on the balance or remainder of the valuation, so as to refrain from assessing the boats and barges in toto for more than one hundred per cent of their value.

2. That the laws of the State of Louisiana expressly give to the State of Louisiana and the City of New Orleans the right to so assess these boats and barges in this manner, as shown by Act 179 of 1898, as amended by Act 39 of 1932, as Amended by Act 152 of 1932, as amended by Act 59 of 1944 of the Legislature of the State of Louisiana.

3. That the Trial Judge was correct in holding that the State of Louisiana and the City of New Orleans had the right to tax the watercraft of the DeBardeleben Coal Corporation, operating in and through the Port of New Orleans and the State of Louisiana, under his findings of fact, that New Orleans was the principal office and main base of oper-

ations of the Marine Division of this Corporation; yet the Trial Judge erred, under his findings of fact, that the State of Louisiana and the City of New Orleans sought to include in this assessment eight barges of the DeBardeleben Coal Corporation which were permanently located in the State of Alabama, because nowhere in the record can it be shown where the State of Louisiana and the City of New Orleans ever sought to tax or did tax these eight barges in the State of Alabama, but only sought to, and only actually taxed the boats and barges operating in and through the Port of New Orleans and the State of Louisiana.

4. That while the Union Barge Line Company is a Pennsylvania Corporation, yet there is nothing under any law [fol. 352] that would prevent the State of Louisiana and the City of New Orleans, from assessing on the proportionate rule basis, the watercraft equipment of the Union Barge Line Corporation, for as shown by the record, their watercraft operates just as regularly in the City of New Orleans and the State of Louisiana, as it does in the State of Pennsylvania.

5. That while the American Barge Line Company, the Mississippi Valley Barge Line Company and the DeBardeleben Coal Corporation are all Delaware Corporations, it was admitted by each of these plaintiffs that their watercraft, which is sought to be taxed here, never goes to the State of Delaware, consequently the State of Delaware, the corporate domicile, has no legal right to levy an ad valorem tax on this watercraft.

6. That the record shows that each of the four plaintiff Companies mentioned herein operated watercraft continually and regularly in and through the port of New Orleans and the State of Louisiana, during each of the years in question.

7. That the amount of the assessment and the method of assessment used in these respective cases by the Louisiana Tax Commission, cannot now be attacked here by plaintiffs for the reason that each of the plaintiffs herein have arbitrarily refused to give the Louisiana Tax Commission the information sought by the Louisiana Tax Commission, in advance, by their field men and by tax forms sent to each plaintiff, by their field men and *and* numbers of their water-

craft; the value; the number of miles travelled in Louisiana compared to the number of miles travelled over their entire system, etc., the Louisiana Tax Commission being forced to make an arbitrary assessment of a portion of the value [fol. 353] of the watercraft of each of these barge lines on the basis of the information available to it.

8. That each of the plaintiff barge lines is now estopped from attacking or complaining of the amount of the assessment or the method of the assessment, for the reasons that they did not avail themselves of the provisions of the Louisiana law for a hearing before the assessing authorities, or the Louisiana Tax Commission, within the time prescribed by law, or by applying to the Courts within the time prescribed by law, under the Louisiana Law, to correct any errors in the assessment or the method of assessment.

Henry G. McCall (L.), Alden W. Muller (L.), W. C. Perrault (L.), B. I. Cahn (L.), (Sgd.) H. W. Lenfant, of Counsel for defendants-appellants.

IN UNITED STATES DISTRICT COURT

MOTION AND ORDER FOR EXHIBIT TO GO UP IN THE ORIGINALS Filed August 11, 1947

On the joint motion of DeBardeleben Coal Corporation, through its attorney, Lemle, Moreno & Lemle, Hibernia Bank Building, New Orleans, Louisiana, and Lionel G. Ott, Commissioner of Public Finance and Ex-Officio City Treasurer, substituted public officer to Jess S. Cave, through his attorneys, Henry G. McCall, Alden W. Muller and Howard W. Lenfant, City Hall, New Orleans, Louisiana, and, on [fol. 354] suggesting to this Honorable Court that certain exhibits have been filed in the above numbered and entitled matter, as well as in similar cases, all consolidated for trial, and that because of the nature and characteristics of said exhibits they should be sent to the U. S. Circuit Court of Appeal in the original.

It is ordered that the following exhibits be and they are hereby ordered sent to the United States Circuit Court of Appeal, in the original:

Delaware Law No. 1.
Huckaby I.

Huckaby II.
 Huckaby IV.
 Huckaby V.
 Huckaby VI.
 Huckaby VII.
 Huckaby VIII.

DeBardeleben Coal Corp.: Balance Sheet dated Jan. 1 and Dec. 31, 1942.

DeBardeleben Coal Corp.: Exhibit No. 1.

DeBardeleben Coal Corp.: Exhibit No. 2.

Union Barge Line Exhibit No. 2.

[fol. 355] Union Barge Line Exhibit No. 3.

Union Barge Line Exhibit No. 4.

Mississippi Valley Barge Line Exhibit No. 1.

Mississippi Valley Barge Line Exhibit No. 2.

Mississippi Valley Barge Line Exhibit No. 3.

Mississippi Valley Barge Line Exhibit No. 4.

American Barge Line Co. Exhibit No. 1.

American Barge Line Co. Exhibit No. 2.

American Barge Line Co. Exhibit No. 3.

American Barge Line Co. Exhibit No. 4.

American Barge Line Co. Exhibit No. 5.

American Barge Line Co. Exhibit No. 6.

Exhibit 6 (Interstate Commerce Commission).

Exhibit 5 (Interstate Commerce Commission).

Mann I.

Mann II.

Defendants Mann 1.

Defendants Mann 2.

[fol. 356] Defendants Mann 3.

Defendants Mann 4.

Defendants Mann 5.

Defendants Mann 6.

Defendants Mann 7.

Defendants Mann 8.

Defendants Mann 10.

Defendants Mann 11.

Defendants Mann 12.

Defendants Mann 13.

(Sgd.) Ben C. Dawkins, Judge.

Aug. 8, 1947.

(Sgd.) Arthur A. Moreno, Attorney for Plaintiffs-Appellees. W. C. Perrault (L.), B. I. Cahn (L.), Henry G.

McCall (L.), Alden W. Muller (L.), (Sgd.) Henry W. Lenfant, Attorneys for Defendants-Appellants.

[fol. 357] Clerk's Certificate to foregoing transcript omitted in printing.

[fol. 358] IN UNITED STATES CIRCUIT COURT OF APPEALS

No. 12117

[Title omitted]

ARGUMENT AND SUBMISSION—January 28th, 1948

On this day this cause was called, and, after argument by H. W. Lenfant, Esq., for appellant, and Arthur A. Moreno, Esq., for appellee, was submitted to the Court.

[fol. 359] IN UNITED STATES CIRCUIT COURT OF APPEALS

No. 12118

[Title omitted]

ARGUMENT AND SUBMISSION—January 28, 1948

On this day this cause was called, and, after argument by H. W. Lenfant, Esq., for appellant, and Arthur A. Moreno, Esq., for appellee, was submitted to the Court.

[fol. 360] IN UNITED STATES CIRCUIT COURT OF APPEALS

No. 12119

[Title omitted]

ARGUMENT AND SUBMISSION—January 28, 1948

On this day this cause was called, and, after argument by H. W. Lenfant, Esq., for appellant, and Arthur A. Moreno, Esq., for appellee, was submitted to the Court.

[fol. 361] IN UNITED STATES CIRCUIT COURT OF APPEALS

No. 12120

[Title omitted]

ARGUMENT AND SUBMISSION—January 28, 1948

On this day this cause was called, and, after argument by H. W. Lenfant, Esq., for appellant, and Arthur A. Moreno, Esq., for appellee, was submitted to the Court.

[fol. 362] IN UNITED STATES CIRCUIT COURT OF APPEALS

No. 12121

[Title omitted]

ARGUMENT AND SUBMISSION—January 28, 1948

On this day this cause was called, and, after argument by H. W. Lenfant, Esq., for appellant, and Arthur A. Moreno, Esq., for appellee, was submitted to the Court.

[fol. 363] IN UNITED STATES CIRCUIT COURT OF APPEALS

No. 12122

[Title omitted]

ARGUMENT AND SUBMISSION—January 28th, 1948

On this day this cause was called, and, after argument by H. W. Lenfant, Esq., for appellant, and Arthur A. Moreno, Esq., for appellee, was submitted to the Court.

[fol. 364] IN UNITED STATES CIRCUIT COURT OF APPEALS

No. 12123

[Title omitted]

ARGUMENT AND SUBMISSION—January 28, 1948

On this day this cause was called, and, after argument by H. W. Lenfant, Esq., for appellant, and Arthur A. Moreno, Esq., for appellee, was submitted to the Court.

[fol. 365] IN UNITED STATES CIRCUIT COURT OF APPEALS

No. 12125

[Title omitted]

ARGUMENT AND SUBMISSION—January 28, 1948

On this day this cause was called, and, after argument by H. W. Lenfant, Esq., for appellant, and Arthur A. Moreno, Esq., for appellee, was submitted to the Court.

[fol. 366] IN UNITED STATES CIRCUIT COURT OF APPEALS

No. 12126

[Title omitted]

ARGUMENT AND SUBMISSION—January 28, 1948

On this day this cause was called, and, after argument by H. W. Lenfant, Esq., for appellant, and Arthur A. Moreno, Esq., for appellee, was submitted to the Court.

[fol. 367] IN THE UNITED STATES CIRCUIT COURT OF APPEALS,
FIFTH CIRCUIT

No. 12116

LIONEL G. OTT, Commissioner of Public Finance and Ex-
Officio City Treasurer, etc., Appellant,

versus

DE BARDELEBEN COAL CORPORATION, Appellee

No. 12117

LIONEL G. OTT, Commissioner of Public Finance and Ex-
Officio City Treasurer, etc., Appellant,

versus

MISSISSIPPI VALLEY BARGE LINE COMPANY, Appellee

No. 12118

GEORGE MONTGOMERY, State Tax Collector, etc., Appellant,
versus

MISSISSIPPI VALLEY BARGE LINE COMPANY, Appellee

No. 12119

LIONEL G. OTT, Commissioner of Public Finance and Ex-
Officio City Treasurer, etc., Appellant,

versus

AMERICAN BARGE LINE COMPANY, Appellee

[fol. 368]

No. 12120

GEORGE MONTGOMERY, State Tax Collector, etc., Appellant,
versus

AMERICAN BARGE LINE COMPANY, Appellee

No. 12121

LIONEL G. OTT, Commissioner of Public Finance and Ex-
Officio City Treasurer, etc., Appellant,

versus

AMERICAN BARGE LINE COMPANY, Appellee

No. 12122

LIONEL G. OTT, Commissioner of Public Finance and Ex-
Officio City Treasurer, etc., Appellant,

versus

MISSISSIPPI VALLEY BARGE LINE COMPANY, Appellee

No. 12123

LIONEL G. OTT, Commissioner of Public Finance and Ex-
Officio City Treasurer, etc., Appellant,

versus

UNION BARGE LINE CORPORATION, Appellee

No. 12124

LIONEL G. OTT, Commissioner of Public Finance and Ex-
Officio City Treasurer, etc., Appellant,

versus

DEBARDELEBEN COAL CORPORATION, Appellee

[fol. 369]

No. 12125

GEORGE MONTGOMERY, State Tax Collector, etc., Appellant,

versus

MISSISSIPPI VALLEY BARGE LINE COMPANY, Appellee

No. 12126

GEORGE MONTGOMERY, State Tax Collector, etc., Appellant,

versus

AMERICAN BARGE LINE COMPANY, Appellee

Appeals from the District Court of the United States for
the Eastern District of Louisiana

Before Hutcheson, McCord, and Lee, Circuit Judges

OPINION—FILED March 5 1948

Lee, Circuit Judge:

These suits were brought by appellees for the return of *ad valorem* taxes assessed and collected by the City of New Orleans and the State of Louisiana. They were consolidated for the purpose of trial as they are for the purpose of appeal.¹

¹ The taxes were paid under protest under the terms of Act 330 of 1938, which provides that in case any taxpayer resists the payment of the amount assessed against him or the enforcement of any provision of law in relation thereto, the amount shall be paid by the taxpayer but kept segregated; a right of action is given the taxpayer to contest in any State or federal court having jurisdiction the invalidity he insists upon, and, if he prevail, the taxes paid shall be returned with interest.

[fol. 370] The four appellees, Mississippi Valley Barge Line Co. (hereinafter called "Mississippi"), American Barge Line Co. ("American"), Union Barge Line Corporation ("Union"), and DeBardeleben Coal Corporation ("DeBardeleben"), as their names imply, operate large lines. Mississippi, American, and DeBardeleben sued for return of taxes collected for the years 1944 and 1945, while Union sued for return of taxes collected for the year 1945.² The taxes were levied under assessments made by the Louisiana Tax Commission under Act 152 of 1932, as amended by Act 59 of 1944, on the proportion of appellees' lines in Louisiana as compared to their entire systems. Appellees' petitions all follow the same general trend, that the tax is unconstitutional because it is a burden upon interstate commerce, because it violates the due-process clause of the State and federal Constitutions, and further that the assessments were arbitrary and capricious. Appellants contend that the taxes were constitutional and proper, and further that the question of assessments, that is, the method of making them and the amount thereof, is not now before the court, since appellees did not avail themselves of the administrative remedies given them by the Louisiana law. The trial below resulted in judgments for each of the appellees, ordering the return of the taxes paid, the court holding that in the cases of Mississippi, American, and Union, the retention of the taxes by appellants constituted the taking of property without due process of law in violation of the federal and State [fol. 371] Constitutions and holding in the case of DeBardeleben that while Louisiana had the right to tax such of its property as had a tax situs in Louisiana, the assessment on the proportionate rule basis as made was illegal, null, and void. From the eleven judgments in favor of appellees, both appellants have appealed.

² Mississippi Valley Barge Line Co. and American Barge Line Co. each are plaintiffs in two suits against the Commissioner of Public Finance for the City of New Orleans and in two suits against the State Tax Collector for the City of New Orleans. The DeBardeleben Coal Corp. is plaintiff in two suits against the Commissioner of Finance for the City of New Orleans, and the Union Barge Line Corp. is plaintiff in one suit against that Commissioner. one suit against that Commissioner.

The question common to the various appeals is, whether tugboats and barges owned by the different appellees, all non-resident corporations, are taxable in Louisiana as property having a tax situs there.

The record shows that each of the appellees is a corporation chartered under the laws of States other than Louisiana. American, Mississippi, and DeBardeleben are Delaware corporations, and Union is a Pennsylvania corporation. None of the watercraft of American, DeBardeleben, or Mississippi was ever physically within the State of Delaware, but some, if not all, of the taxed property of Union was present during the tax year within the State of Pennsylvania. American and Mississippi maintain offices in New Orleans, though their principal business offices are in Louisville and St. Louis, respectively. Union merely employs an agent in New Orleans for the conduct of its business; its principal office is in Pittsburgh. The principal office of the Marine Division of DeBardeleben is in New Orleans; its official home office is in Birmingham, Ala. Each of the four corporations is engaged in transportation of freight upon inland waterways of the United States under authority of a Certificate of Public Necessity and Convenience issued by the Interstate Commerce Commission. The taxed towboats of American and DeBardeleben are enrolled [fol. 372] under United States Shipping Regulations pertaining to vessels engaged in domestic commerce (Title 46, c. 12 U. S. C. A.), at Wilmington, Del., and there, too, they have registered their barges. The towboats of Union are enrolled at Pittsburgh, and the watercraft of Mississippi are enrolled at St. Louis. Under neither Delaware nor Pennsylvania law is the marine equipment of the appellees subject to State taxation.

DeBardeleben operates from New Orleans to Houston, Galveston, and Corpus Christi, in Texas; in Alabama, as far as Mobile; in Florida, to Pensacola, Panama City, and Carrabelle; and in the tax years in question its watercraft made occasional trips up the Mississippi to points north of the Louisiana boundary. The other three operate up and down the Mississippi and its tributaries to points as far north as Minneapolis and east to Pittsburgh. In all trips to Louisiana a tug brings a line of barges to New Orleans, where the barges are left for unloading and reloading and where the tug picks up a loaded line of barges for ports out-

side Louisiana. These turn-arounds are accomplished as quickly as possible and there is no regular schedule in the sense of a timetable held to. The result is that the tugs and barges are within the boundary of Louisiana only a small portion of the time. Of the total time covered by the interstate commerce operations in 1943, American's towboats spent about 3.8% within the port of New Orleans. In the case of Mississippi for that year, its towboats spent about 17.25%, and its barges about 12.7%; in 1944, its towboats about 10.2%, and its barges about 17.5%. In 1944, Union's towboats spent about 2.2% and its barges about 4.3%. Ap-[fol. 373] pellees' watercraft, while in the port of New Orleans have the benefit of such fire protection as is afforded all craft moored to the wharves, and of harbor police surveillance, and of all sanitary regulations of the State and City Boards of Health.

DeBardeleben was merged or consolidated in 1937 with W. G. Coyle, Inc., a Louisiana corporation which had operated a Marine Terminal and harbor traffic business within the port of New Orleans. To Coyle's operations in 1934 had been added a common carrier water transportation business, mainly in the Gulf Intracoastal Waterways, running westerly as well as easterly from the port of New Orleans. After the merger in 1937, the Coyle operations were conducted as the Marine Division of DeBardeleben, without interruption or material change, under the name of Coyle Lines. The main office of the Marine Division of DeBardeleben, from which it controlled and carried on continuously all of the Coyle Line operations, was located in New Orleans, and so also was the machine and repair shop, maintained for upkeep and repair of its watercraft. At the New Orleans office the crews of the tows were regularly paid their wages, and to it the employees reported at the customary taking of the usual 24-hour lay-off at the end of each 6-day work period called for under the union labor contract. At the Coyle New Orleans Terminal, the tugs operated by Coyle Lines were usually fueled, and there, too, as a rule, were made all scheduled general repairs or minor voyage repairs needed by the Marine Division watercraft. None of the Coyle Lines watercraft ever permanently left the [fol. 374] original situs in Louisiana except eight barges especially assigned wholly to hauling company coal on the Warrior River in Alabama.

The court below found from these facts that the tugboats and barges of American, Mississippi, and Union were never permanently within the State of Louisiana during the tax years, hence had no tax situs in Louisiana and could not be taxed by that State or by the City of New Orleans. With respect to DeBardeleben, it found that New Orleans was the home port of its tugboats and barges, from which they operated; that with the exception of the eight barges in Alabama, its watercraft were never permanently away from that city; hence the tax situs was in Louisiana and the tugboats and barges having a tax situs there could be taxed by the City of New Orleans. But the court further found that in assessing the tugboats and barges there had been included in the assessment the eight barges permanently located in Alabama, and that such fact made the city tax against DeBardeleben illegal, null, and void. The correctness of these rulings with respect to the several companies is the sole question before us.

The Louisiana statutes under which the State and the City of New Orleans taxed the tugboats and barges of appellees are set out in a footnote.³

³ Act 152 of 1932 provides:

“ * * * the rolling stock or movable property of any railroad company, telegraph company, canal company or other transportation company, whose line lies partly within this State and partly within another State, or States, or whose sleeping cars run over any line lying partly within this State or partly within another State or States, shall be assessed in this State in the ratio which the number of miles of the line within the State has to the total number of miles of the entire lines.”

Act 152 of 1932 was amended by Act 59 of 1944. It provides:

“ ‘Movable Personal Property’—All movable and regularly moved locomotives, cars, vehicles, craft, barges, boats and similar things, which have not the character of immovables by their nature or by the disposition of law, either owned or leased for a definite and specific term stated and operated (such, illustratively but not exclusively, as the engines, cars and all rolling stock of railroads; the boats, barges and other water craft and floating equipment of water transportation lines); * * *

[fol. 375] Appellants contend that for the watercraft of American, Mississippi, and Union, New Orleans is the terminus into and out of which those lines haul the greater part of the freight handled by them; that the watercraft were loading and unloading in New Orleans throughout the tax years; and that in fact they were within the State of Louisiana more than in any other State. Appellants insist that under the doctrine of *Pullman's Palace Car Co. v. Penna.*, 141 U. S. 18, Louisiana has the right to tax the craft in question, upon the theory that they have an average continuous presence in Louisiana, the basis of assessment of each appellee being the ratio between the total number of miles of appellee's line in Louisiana and the total number of miles of the entire line. With respect to DeBardeleben, appellants contend that New Orleans, being the home port of its watercraft, was also its permanent tax situs; and that the failure and refusal of that corporation to give the information asked for or to make any assessment return for the tax years involved estopped it to contest the correctness of the assessment made against it. Each of the appellees [fol. 376] asserts that, the State of its domicile being elsewhere, it is liable to assessment in Louisiana only upon a showing that the watercraft had a permanent situs within the State during the tax years; and that no such showing was made. DeBardeleben further asserts that the lower court was right in setting aside the assessment made against it upon finding that the value of eight barges in Alabama had been included in the total value from which the local assessments were made.

As stated, the City of New Orleans and the State of Louisiana rely chiefly upon *Pullman's Palace Car Co. v.*

“(f) The ‘movable personal property’ of such persons, firms, or corporations, whose line, route, or system is partly within this State and partly within another state or states, shall be by the Commission valued for the purposes of taxation and by it assessed; . . .

“1. The portion of all of such property of such person, firm or corporation shall be assessed in the State of Louisiana, wheresoever, in the ratio which the number of miles of the line, within the State bears to the total number of miles of the entire line, route or system, here and elsewhere, over which such movable personal property is so operated or so used by such person, firm or corporation.”

Penna., *supra*, as authority for the assessment against appellees. In that case the Supreme Court held that where tangible personal property such as freight and passenger cars are used daily by a railroad over fixed routes in interstate commerce, a State through which the railroad operates although not the State of its domicile may tax such tangible property upon the basis of the ratio between the mileage within the State and the total mileage of the railroad system. But so far as we have been able to find this principle of apportionment has never been applied to watercraft using the high seas or navigable inland waterways. Under the decisions the regular or irregular stops at ports in nondomiciliary States of watercraft moving in interstate commerce do not establish tax situs in such States, and such watercraft remain taxable only by the State of the owner's domicile. *Hays v. Pacific Mail S. S. Co.*, 17 How. 596; *St. Louis v. Wiggins Ferry Co.*, 11 Wall. 423; *Morgan v. Parham*, 16 Wall. 471; *Ayer & Lord Tie Co. v. Kentucky*, [fol. 377] 202 U. S. 409; *So. Pacific Co. v. Kentucky*, 222 U. S. 63; cf. *Northwest Airlines, Inc. v. Minnesota*, 322 U. S. 292. Neither enrollment of a vessel at a particular port, even though the vessel makes regular calls at the port of enrollment, *St. Louis v. Wiggins Ferry Co.*, *supra*; *Ayer & Lord Tie Co. v. Kentucky*, *supra* nor benefits received at a port, such as fire protection and wharves for loading and unloading accorded to every vessel, of themselves confer the power to tax upon the State of the port. *Hays v. Pacific Mail S. S. Co.*, *supra*; *So. Pacific Co. v. Kentucky*, *supra*.

The fact that none of the watercraft owned by American, Mississippi, and DeBardeleben has been within the State of Delaware, the State of the owners' domicile, does not of itself control the right of that State to tax the property. Tangible personal property which has not acquired a tax situs elsewhere may be taxed by the State of the owner's domicile although it has never been brought within that State's boundaries. *So. Pacific Co. v. Kentucky*, *supra*. That no tax has been assessed by the State of the owner's domicile has no bearing upon the right of another State to tax. It is only when the tangible personal property has acquired a tax situs within a State other than the owner's domicile that it may be taxed there. *Brown v. Houston*, 114 U. S. 622; *Old Dominion S. S. Co. v. Virginia*, 198 U. S. 299.

Applying these legal principles to the facts of this case, we are of the opinion that the court below was correct in holding that the tugboats and barges of Mississippi, American, and Union acquired no tax situs in Louisiana, and that [fol. 378] no tax could be legally assessed and collected by that State or by the City of New Orleans. We are also of the opinion that the Court below was correct in holding that the tugboats and barges of DeBardeleben, except the eight barges in Alabama, had acquired a tax situs in Louisiana. New Orleans clearly was the home port of DeBardeleben's watercraft. Its watercraft, except the eight barges in Alabama, were properly taxed there. The fact that the amount assessed against DeBardeleben was arrived at by including the value of the eight barges in Alabama is not ground for declaring the assessment against that company void. The taxpayer was called upon to furnish information and make its rendition for each of the tax years. Taking the position that it owed no tax, it refused to furnish any information and thus forced the taxing authority to get its information as best it could. Under the local law, if the taxpayer does not make a return, the taxing authority "shall himself fill out said list from the best information he can obtain." The DeBardeleben Coal Corporation was assessed 25% of the value of its tugs and barges. It urges that this was an excessive assessment, arbitrarily made without information either as to the miles it operated within the State in carrying on its business or as to the value of its properties. The evidence indicates that the taxing authority had little information upon which to act and that the assessments were made from estimates based on meagre and uncertain data. This was due in a large measure to DeBardeleben's refusal to furnish requested information. Instead of acting arbitrarily, the taxing authority obviously made the assessments from the best information it could obtain.

[fol. 379] The City of New Orleans has pleaded that the taxpayer, under Act 39 of 1922, is estopped to contest the correctness of the assessments because of its failure to make tax renditions on or before June 1 of the tax years. Construing a similar Act, the Supreme Court of Louisiana has held that the estoppel is not applicable where, as here, taxpayer's failure to file a rendition was based on the honest belief that its property was not taxable. *Travelers' Insurance Co. v. Board of Assessors, et al.*, 122 La. 129,

47 So. 439, 441, citing *Ceniral of Georgia Ry. v. Wright*, 207 U. S. 127.

In decreeing the assessments against DeBardeleben void, the court below erred. The erroneous inclusion of property in an assessment is ground for reduction, not cancellation. *Griggsby Construction Co. v. Freeman*, 108 La. 435, 32 So. 399. The DeBardeleben suits in effect are suits for cancellation, not reduction of the assessments, and, though under Louisiana practice reduction, in the absence of an alternative plea therefor, may not be decreed in a suit for cancellation, *Fidelity Mutual Life Insurance Co. v. Fitzpatrick*, 125 La. 976, 52 So. 118, 120, a more liberal rule is followed in the federal courts. Under Rule 54 (c), Federal Rules of Civil Procedure, relief to which a taxpayer is entitled may be granted even though not demanded. The DeBardeleben suits will, therefore, be remanded in order that the court below may ascertain from the present record, or that record supplemented by additional evidence, whether DeBardeleben has paid excess taxes for the tax years, and, if it has, under Act 330 of 1938, order a refund of the excess paid, with interest. [fol. 380] The judgments appealed from are affirmed in all these causes except No. 12,116 and No. 12,124; in those two causes the judgments appealed from are reversed, and the causes are remanded for further proceedings not inconsistent with this opinion.

[fol. 381] IN UNITED STATES CIRCUIT COURT OF APPEALS

No. 12117.

LIONEL G. OTT, Commissioner of Public Finance and
Ex-Officio City Treasurer, etc.,

versus

MISSISSIPPI VALLEY BARGE LINE COMPANY

JUDGMENT—March 5th, 1948

This cause came on to be heard on the transcript of the record from the District Court of the United States for the Eastern District of Louisiana, and was argued by counsel;

On consideration whereof, it is now here ordered and adjudged by this Court that the judgment of the said Dis-

trict Court appealed from in this cause be, and the same is hereby, affirmed;

It is further ordered and adjudged that the appellant, Lionel G. Ott, Commissioner of Public Finance and Ex-Officio City Treasurer, etc., and the surety on the appeal bond herein, American Employers' Insurance Co. of Boston, be condemned, in solido, to pay the costs of this cause in this Court.

IN UNITED STATES CIRCUIT COURT OF APPEALS

No. 12118

GEORGE MONTGOMERY, State Tax Collector, etc.,

versus

MISSISSIPPI VALLEY BARGE LINE COMPANY

JUDGMENT—March 5th, 1948

This cause came on to be heard on the transcript of the record from the District Court of the United States for the Eastern District of Louisiana, and was argued by counsel;

On consideration whereof, it is now here ordered and adjudged by this Court that the judgment of the said District Court appealed from in this cause be, and the same is hereby, affirmed;

[fol. 382] It is further ordered and adjudged that the appellant, George Montgomery, State Tax Collector, etc., and the surety on the appeal bond herein, United States Fidelity & Guaranty Co., be condemned, in solido, to pay the costs of this cause in this Court.

IN UNITED STATES CIRCUIT COURT OF APPEALS

No. 12119

LIONEL G. OTT, Commissioner of Public Finance and
Ex-Officio City Treasurer, etc.,

versus

AMERICAN BARGE LINE COMPANY

JUDGMENT—March 5th, 1948

This cause came on to be heard on the transcript of the record from the District Court of the United States for the Eastern District of Louisiana, and was argued by counsel;

On consideration whereof, it is now here ordered and adjudged by this Court that the judgment of the said District Court appealed from in this cause be, and the same is hereby, affirmed;

It is further ordered and adjudged ~~that~~ the appellant, Lionel G. Ott, Commissioner of Public Finance and Ex-Officio City Treasurer, etc., and the surety on the appeal bond herein, American Employers' Insurance Co. of Boston, be condemned, in solido, to pay the costs of this cause in this Court.

IN UNITED STATES CIRCUIT COURT OF APPEALS

No. 12120

GEORGE MONTGOMERY, State Tax Collector, etc.,

versus

AMERICAN BARGE LINE COMPANY

JUDGMENT—March 5th, 1948

This cause came on to be heard on the transcript of the record from the District Court of the United States for the Eastern District of Louisiana, and was argued by counsel; [fol. 383] On consideration whereof, it is now here ordered and adjudged by this Court that the judgment of the said District Court appealed from in this cause be, and the same is hereby, affirmed;

It is further ordered and adjudged that the appellant, George Montgomery, State Tax Collector, etc., and the surety on the appeal bond herein, United States Fidelity & Guaranty Co., be condemned, in solido, to pay the costs of this cause in this Court.

IN UNITED STATES CIRCUIT COURT OF APPEALS

No. 12121

LIONEL G. OTT, Commissioner of Public Finance and
Ex-Officio City Treasurer, etc.,

versus

AMERICAN BARGE LINE COMPANY

JUDGMENT—March 5th, 1948

This cause came on to be heard on the transcript of the record from the District Court of the United States for the Eastern District of Louisiana, and was argued by counsel;

On consideration whereof, it is now here ordered and adjudged by this Court that the judgment of the said District Court appealed from in this cause be, and the same is hereby, affirmed;

It is further ordered and adjudged that the appellant, Lionel G. Ott, Commissioner of Public Finance and Ex-Officio City Treasurer, etc., and the surety on the appeal bond herein, American Employers' Insurance Co. of Boston, be condemned, in solido, to pay the costs of this cause in this Court.

[fol. 384] IN UNITED STATES CIRCUIT COURT OF APPEALS

No. 12122

LIONEL G. OTT, Commissioner of Public Finance and
Ex-Officio City Treasurer, etc.,

versus

MISSISSIPPI VALLEY BARGE LINE COMPANY

JUDGMENT—March 5th, 1948

This cause came on to be heard on the transcript of the record from the District Court of the United States for the Eastern District of Louisiana, and was argued by counsel;

On consideration whereof, it is now here ordered and adjudged by this Court that the judgment of the said Dis-

trict Court appealed from in this cause be, and the same is hereby, affirmed;

It is further ordered and adjudged that the appellant, Lionel G. Ott, Commissioner of Public Finance and Ex-Officio City Treasurer, etc., and the surety on the appeal bond herein, American Employers' Insurance Co. of Boston, be condemned, in solido, to pay the costs of this cause in this Court.

IN UNITED STATES CIRCUIT COURT OF APPEALS

No. 12123

LIONEL G. OTT, Commissioner of Public Finance and
Ex-Officio City Treasurer, etc.,

versus

UNION BARGE LINE CORPORATION

JUDGMENT—March 5th, 1948

This cause came on to be heard on the transcript of the record from the District Court of the United States for the Eastern District of Louisiana, and was argued by counsel;

On consideration whereof, it is now here ordered and adjudged by this Court that the judgment of the said District Court appealed from in this cause be, and the same is hereby, affirmed;

[fol. 385] It is further ordered and adjudged that the appellant, Lionel G. Ott, Commissioner of Public Finance and Ex-Officio City Treasurer, etc., and the surety on the appeal bond herein, American Employers' Insurance Co. of Boston, be condemned, in solido, to pay the costs of this cause in this Court.

IN UNITED STATES CIRCUIT COURT OF APPEALS

No. 12125

GEORGE MONTGOMERY, State Tax Collector, etc.,

versus

MISSISSIPPI VALLEY BARGE LINE COMPANY

JUDGMENT—March 5th, 1948

This cause came on to be heard on the transcript of the record from the District Court of the United States for the Eastern District of Louisiana, and was argued by counsel;

On consideration whereof, it is now here ordered and adjudged by this Court that the judgment of the said District Court appealed from in this cause be, and the same is hereby, affirmed;

It is further ordered and adjudged that the appellant, George Montgomery, State Tax Collector, etc., and the surety on the appeal bond herein, United States Fidelity & Guaranty Co., be condemned, in solido, to pay the costs of this cause in this Court.

IN UNITED STATES CIRCUIT COURT OF APPEALS

No. 12126

GEORGE MONTGOMERY, State Tax Collector, etc.,

versus

AMERICAN BARGE LINE COMPANY

JUDGMENT—March 5th, 1948

This cause came on to be heard on the transcript of the record from the District Court of the United States for the Eastern District of Louisiana, and was argued by counsel; [fol. 386] In consideration whereof, it is now here ordered and adjudged by this Court that the judgment of the said District Court appealed from in this cause be, and the same is hereby, affirmed;

It is further ordered and adjudged that the appellant, George Montgomery, State Tax Collector, etc., and the surety on the appeal bond herein, United States Fidelity & Guaranty Co., be condemned, in solido, to pay the costs of this cause in this Court.

[fol. 387] IN THE UNITED STATES CIRCUIT COURT OF APPEALS,
FIFTH CIRCUIT

[Titles Omitted]

No. 12,117

No. 12,118

No. 12,119

No. 12,120

No. 12,121

LIONEL G. OTT, Commissioner of Public Finance and Ex-
Officio City Treasurer, etc., Appellant,

vs.

AMERICAN BARGE LINE COMPANY, Appellee

No. 12,122

No. 12,123

No. 12,125

[fol. 388]

No. 12,126

PETITION FOR REHEARING ON BEHALF OF LIONEL G. OTT, COM-
MISSIONER OF PUBLIC FINANCE AND EX-OFFICIO CITY TREAS-
URER OF THE CITY OF NEW ORLEANS, AND OF GEORGE MONT-
GOMERY, STATE TAX COLLECTOR FOR THE CITY OF NEW OR-
LEANS—Filed March 25, 1948

To the Honorable the Judges of the United States Circuit
Court of Appeals for the Fifth Circuit:

The petition of Lionel G. Ott, Commissioner of Public
Finance and Ex-Officio City Treasurer of the City of New
Orleans, and of George Montgomery, State Tax Collector
for the City of New Orleans, appellants herein, respect-
fully show:

1. That judgments were entered herein against appellants
on March 5th, 1948.

2. That there were errors grievously prejudicial to these
appellants contained in said judgments of this court, which
should be corrected through the granting of a rehearing
herein.

[fol. 389] 3. That the Court erred in not applying the principle of tax apportionment to this watercraft using navigable inland waterways. In its decision this Court states:

“But so far as we have been able to find this principle of apportionment has never been applied to watercraft using the high seas or navigable inland waterways.”

While this may, of itself, be true, yet conversely appellants believe the Court would be equally correct in stating that it has been unable to find where this tax apportionment has been denied under the facts in the cases at bar. In other words, this particular type of case has never been decided by our Courts, and the question is wide open for decision under the facts and the law applicable. The cases cited by the Court in support of the above finding are easily distinguishable from the issues here. There can be no question of the application of the old principle to ships plying the high seas, where unless the situs for the purpose of taxation was declared to be the actual or real domicile or real residence of the owner, it might result, as the Supreme Court has said “in a complete escape from taxation.” But not so here. An average number of this watercraft, as shown by the record, is in Louisiana every day of the year. This presents a different problem from the old cases, and calls for the application of a new principle. Certainly the Louisiana Statute covers this type of movement, and justice, equity and logic call for the tax apportionment principle to be applied to these inland barge lines. The Supreme Court in *Pullman's Palace Car Company v. Pennsylvania*, 141 [fol. 390] U. S. 18, 11 S. Ct. 35, 35 L. ed. 613 and similar cases, has approved the tax apportionment principle as applied to the rolling stock of railroads, and, try as they might, appellants are unable to discover any legal or sound distinction, from the railroad movement, in the movement of these towboats and barges in their constant and continuous schedule in and to Louisiana. Obviously, there is a physical distinction, but appellants can find no legal distinction. Appellants therefore respectfully urge that the Court would be on surer and sounder ground in following the tax apportionment principle in the railroad cases, rather than the principle in the old steamship cases.

4. That this Court further erred in holding that Delaware may tax the watercraft of American and Mississippi Valley. The Court sets forth in its decision:

"Tangible personal property which has not acquired a tax situs elsewhere may be taxed by the State of the owner's domicile although it has never been brought within that State's boundaries,"

citing *Southern Pacific Co. v. Kentucky* (1911) 222 U. S. 63, 32 S. Ct. 13. That case involved ocean-going steamships, and too, it was clearly established that Kentucky was not only the actual domicile of the corporation but had its principal office there. But appellants have never been able to find where our Courts have allowed a state of domicile to tax property outside its boundaries where the corporate owner does no business in the state of incorporation; has no office there, but simply an agent for the service of process; has never sent its watercraft there; operates its entire business from offices located in other [fol. 391] states; pays no taxes there; and has no stockholders nor officers resident there. In all cases cited by the Court, there was either an actual or real domicile or a real residence as contradistinguished from a fictional residence, or a mere resting place for a charter. Even in the case of *Union Refrigerator Transit Co. v. Kentucky*, 199 U. S. 194, 26 S. Ct. 36, 50 L. ed. 150, Our Supreme Court denied to Kentucky (the actual domicile) the right to tax tangible personal property permanently located in other states. The facts in that case are more nearly analogous (as far as they apply) to the issues here, rather than the facts in *So. Pacific Co. v. Kentucky* (*supra*). Appellants therefore do not believe Delaware can tax the watercraft of American and Mississippi Valley. Yet tangible personal property must have a taxing situs somewhere! As said in *Union Refrigerator Transit Co. v. Kentucky* (*supra*):

"... the tendency has been in recent years to treat it (tangible property) as having a situs of its own for the purpose of taxation and correlatively to exempt at the domicile of the owner."

Appellants therefore respectfully submit that the Court erred in applying the principles in *Southern Pacific Co. v. Kentucky* (*supra*) rather than the principles in *Union Refrigerator Transit Co. v. Kentucky* (*supra*).

5. The Court further erred in denying to Louisiana its proportionate share of taxation on the watercraft of Union Barge Line Corporation. While Pennsylvania (the domicile) may tax this watercraft, under the holding in *Northwest Airlines, Inc. v. Minnesota*, 322 U. S. 292 (1944), yet Louisiana is not prohibited, under the law from taxing a [fol. 392] portion of this watercraft. As was shown in *Northwest Airlines, Inc. v. Minnesota (supra)*, other states, besides Minnesota, were taking a portion of Northwest's aircraft. The Court had the opportunity to deny to these non-domiciliary States the right to tax this aircraft, yet refused to do so! This Court therefore, has the full right to allow this tax apportionment to Louisiana. It is submitted the law and the facts amply justify such a holding in favor of appellants here. Even if Pennsylvania should choose to tax the Union's watercraft, appellants submit there is no prohibition against double taxation in either the Fifth or the Fourteenth Amendments of our Constitution. Louisiana therefore has a right to its share of taxation on Union's watercraft.

6. The Court further erred in holding that the tugboats and barges of Mississippi, American and Union acquired no tax situs in Louisiana, and that no tax could be legally assessed and collected by that State or the City of New Orleans. Appellants submit that if the Court finds it necessary to find a taxing situs in Louisiana to establish the right to tax, then the record is replete with evidence to show that a portion of this watercraft is in Louisiana at all times which consequently clearly establishes a situs. These Lines maintain a continuous schedule into New Orleans throughout the year, leaving a portion of their watercraft here, every day in the year, and it is shown by the evidence that there is an average amount of this equipment in Louisiana at all times. If our Supreme Court had found it necessary to find a taxing situs for the equipment of the railroads, in [fol. 393] allowing the tax apportionment, they would have undoubtedly said an average number of this rolling stock was in the state throughout the year, and this, in effect, clearly establishes a taxing situs for the portion sought to be taxed. The exact thing can be said here, which appellants respectfully submit, can and should be said, as to this inland watercraft.

Wherefore, petitioners pray that a rehearing be granted them herein in order that the erroneous judgments entered against appellants in the above nine cases may be revised.

Respectfully submitted, Harry McCall, City Attorney.
Alden W. Muller, Asst.-City Attorney.

Fred S. LeBlanc, Attorney General. W. Charles Per-
rault, First Assistant Attorney General. Bertrand I. Cahn,
Special Assistant Attorney General.

Howard W. Lenfant, Special Counsel.

[fol. 394]

Certificate of Counsel

The undersigned, attorneys for appellants, hereby certify that in their judgment the foregoing Petition for Rehearing in this case is well founded and is not interposed for delay.

(Signed) H. W. Lenfant.

This is to certify that copies of this Petition for Rehearing have been served upon opposing counsel, on this 25th day of March, 1948.

(Signed) H. W. Lenfant, of Counsel.

[fol. 395] IN UNITED STATES CIRCUIT COURT OF APPEALS

[Titles omitted]

No. 12117

No. 12118

No. 12119

No. 12120

No. 12121

No. 12122

No. 12123

No. 12125

[fol. 396]

No. 12126

ORDER DENYING REHEARINGS—April 13, 1948

It is ordered by the Court that the petitions for rehearing filed in these causes be, and they are hereby, Denied.

[fol. 397] IN SUPREME COURT OF THE UNITED STATES

No. 12117

LIONEL G. OTT, Commissioner of Public Finance and Ex-
Officio, City Treasurer, etc., Appellant,

vs.

MISSISSIPPI VALLEY BARGE LINE COMPANY, Appellee

No. 12118

GEORGE MONTGOMERY, State Tax Collector, etc., Appellant,

vs.

MISSISSIPPI VALLEY BARGE LINE COMPANY, Appellee

No. 12119

LIONEL G. OTT, Commissioner of Public Finance and Ex-
Officio City Treasurer, etc., Appellant,

vs.

AMERICAN BARGE LINE COMPANY, Appellee

No. 12120

GEORGE MONTGOMERY, State Tax Collector, etc., Appellant,

vs.

AMERICAN BARGE LINE COMPANY, Appellee

No. 12121

LIONEL G. OTT, Commissioner of Public Finance and Ex-
Officio City Treasurer, etc., Appellant,

vs.

AMERICAN BARGE LINE COMPANY, Appellee

No. 12122

LIONEL G. OTT, Commissioner of Public Finance and Ex-
Officio City Treasurer, etc., Appellant,

vs.

MISSISSIPPI VALLEY BARGE LINE COMPANY, Appellee

No. 12123

LIONEL G. OTT, Commissioner of Public Finance and Ex-
Officio City Treasurer, etc., Appellant,

vs.

UNION BARGE LINE CORPORATION, Appellee

No. 12125

GEORGE MONTGOMÉRY, State Tax Collector, etc., Appellant,

vs.

MISSISSIPPI VALLEY BARGE LINE COMPANY, Appellee

No. 12126

GEORGE MONTGOMERY, State Tax Collector, etc., Appellant,

vs.

AMERICAN BARGE LINE COMPANY, Appellee

PETITION FOR APPEAL—Filed July 16, 1948

[fol. 398] To the Honorable the Chief Justice and Associate
Justices of the Supreme Court of the United
States:

Lionel G. Ott, Commissioner of Public Finance and Ex-Officio City Treasurer of the City of New Orleans, and George Montgomery, State Tax Collector for the Parish of Orleans, State of Louisiana, in their respective official capacities, petitioners herein, feeling themselves aggrieved by the decrees rendered and entered by the United States Circuit Court of Appeals for the Fifth Circuit in the above entitled causes on the 5th day of March 1948, rehearing denied on the 13th day of April 1948, hereby appeal from the said decrees to the Supreme Court of the United States for the reasons set forth in the assignment of errors filed hereon, and pray that their appeal be allowed, and that citation be issued as provided by law, and that a transcript of the record, proceedings and documents upon which said decrees were based, duly authenticated, be sent to the Supreme Court of the United States, under the rules of such Court in such cases made and provided.

And your petitioners further pray that the proper order relating to the required security to be required of them be made.

Petitioners further show that they have previously presented their petition for appeal herein to the United States Circuit Court of Appeals for the Fifth Circuit and that said Court has denied said petition for appeal, as per certified copy of order denying appeal attached hereto, and that petitioners therefore present their application for appeal herein direct to a Justice of the Supreme Court of the United States as provided in Rule 36, paragraph I of the Rules of this Honorable Court.

Bolivar E. Kemp, Attorney General for the State of Louisiana; Carroll Buck, First Assistant Attorney General; Henry G. McCall, City Attorney for City of New Orleans; (Signed) Henry B. Curtis, First Assistant City Attorney; Alden W. Muller, Assistant City Attorney; (Signed) Howard W. Lenfant, Special Counsel, Attorneys for Petitioners.

Appeal allowed July 9, 1948.

Robert H. Jackson, Associate Justice U. S. S. Court.

[fol. 399] IN SUPREME COURT OF THE UNITED STATES

[Titles omitted.]

ASSIGNMENTS OF ERROR—Filed July 16, 1948

[fol. 400] Comes now, Lionel G. Ott, Commissioner of Public Finance and Ex-Officio City Treasurer of the City of New Orleans, and George Montgomery, State Tax Collector for the Parish of Orleans, State of Louisiana, in their official capacities, petitioners, in the above entitled causes, and file the following assignment of errors upon which they shall rely in the prosecution of the appeal to the Supreme Court of the United States herewith petitioned for in said causes from the decrees of the United States Circuit Court of Appeals for the Fifth Circuit, entered on the 5th day of March 1948, rehearing denied on the 13th day of April 1948:

1. The Circuit Court of Appeals erred in holding that a taxing situs need be shown to allow New Orleans and Louisi-

ana to collect its share of the taxes on these towboats and barges when the Louisiana Statute (Act 59 of 1944) specifically provides that the proportionate tax is collectible upon a showing that respondent barge line companies run their lines into Louisiana, which is admitted, and no actual situs need be shown as such, to collect these taxes under the Louisiana Statute.

2. The Circuit Court of Appeals therefore erred in applying the law of situs in these cases.

3. The Circuit Court of Appeals erred in not applying the clear and unequivocal provisions of the Louisiana Statute (Act 59 of 1944) in these cases, which provisions hold that the Parish or Municipality in Louisiana in which these interstate barge lines operate shall be the taxable situs in Louisiana of this property.

4. The Circuit Court of Appeals erred in not applying the proportionate rule of taxation as to mileage in these cases as called for in the Louisiana Statute.

5. The Circuit Court of Appeals erred in nullifying the clear provisions of the Louisiana Statute and in effect holding that these provisions of the Louisiana Statute violate the due-process-of-law clause of the 14th Amendment of the Constitution of the United States.

6. The Circuit Court of Appeals erred in holding for respondent barge lines in these cases decreeing these taxes illegal and invalid.

[fols. 401-402] Wherefore petitioners pray that the said decrees may be reversed, and for such other and further relief as to the court may seem just and proper.

Bolivar E. Kemp, Attorney General for the State of Louisiana; Carroll Buck, First Assistant Attorney General; Henry G. McCall, City Attorney for the City of New Orleans; (Signed) Henry B. Curtis, First Assistant City Attorney; Alden W. Muller, Assistant City Attorney; (Signed) H. W. Lenfant, Special Counsel, Attorneys for Petitioners.

[fol. 403] IN SUPREME COURT OF THE UNITED STATES

LIONEL G. OTT, Commissioner of Public Finance and
Ex-Officio City Treasurer, etc., Appellant,

vs.

MISSISSIPPI VALLEY BARGE LINE COMPANY, Appellee

GEORGE MONTGOMERY, State Tax Collector, etc., Appellant,

vs.

MISSISSIPPI VALLEY BARGE LINE COMPANY, Appellee

LIONEL G. OTT, Commissioner of Public Finance and
Ex-Officio City Treasurer, etc., Appellant,

vs.

AMERICAN BARGE LINE COMPANY, Appellee

GEORGE MONTGOMERY, State Tax Collector, etc., Appellant,

vs.

AMERICAN BARGE LINE COMPANY, Appellee

LIONEL G. OTT, Commissioner of Public Finance and
Ex-Officio City Treasurer, etc., Appellant,

vs.

AMERICAN BARGE LINE COMPANY, Appellee

LIONEL G. OTT, Commissioner of Public Finance and
Ex-Officio City Treasurer, etc., Appellant,

vs.

MISSISSIPPI VALLEY BARGE LINE COMPANY, Appellee

LIONEL G. OTT, Commissioner of Public Finance and
Ex-Officio City Treasurer, etc., Appellant,

vs.

UNION BARGE LINE CORPORATION, Appellee

GEORGE MONTGOMERY, State Tax Collector, etc., Appellant,

vs.

MISSISSIPPI VALLEY BARGE LINE COMPANY, Appellee

GEORGE MONTGOMERY, State Tax Collector, etc., Appellant,

vs.

AMERICAN BARGE LINE COMPANY, Appellee

ORDER ALLOWING APPEAL—July 9, 1948

[fol. 404] The appellants in the above entitled causes, having prayed for an allowance of an appeal to the Supreme Court of the United States from the decrees made and entered in the above-entitled causes by the United States Circuit Court of Appeals for the Fifth Circuit on the 5th day of March 1948, rehearing denied April 13, 1948, and from each and every part thereof, and having presented and filed their petition for appeal, assignment of errors, prayer for reversal, and statement as to jurisdiction, pursuant to the statutes and rules of the Supreme Court of the United States in such case made and provided;

It Is Now Herein Ordered that an appeal be and the same is hereby allowed to the Supreme Court of the United States from the United States Circuit Court of Appeals for the Fifth Circuit in these nine causes as provided by laws; and it is

Further Ordered that the Clerk of the said court shall prepare and certify a transcript of the record, proceedings and decrees in these nine causes, and transmit the same to the Supreme Court of the United States so that he shall have the same in the said court within 40 days of this date; and it is

Further Ordered, that security for costs on appeal be fixed in the sum of two hundred dollars (\$200.00).

(Sgd.) Robert H. Jackson.

July 9, 1948.

[fols. 405-407] Citation in usual form showing service on Arthur A. Moreno, filed July 16, 1948, omitted in printing.

[fols. 408-409] Bond on appeal for \$200.00 approved and filed July 27, 1948, omitted in printing.

[fol. 410] IN UNITED STATES CIRCUIT COURT OF APPEALS

[Titles omitted]

PRAECIPE FOR RECORD TO SUPREME COURT—Filed July 30,
1948

[fol. 411] Come now the appellants, Lionel G. Ott, Commissioner of Public Finance and Ex-Officio City Treasurer, etc., and George Montgomery, State Tax Collector, etc., in their respective official capacities, in pursuance to Rule 10 of the Supreme Court of the United States, and for the purpose of enabling the Clerk of the United States Circuit Court of Appeals for the Fifth Circuit to prepare the record for appeal herein from the decisions of the United States Circuit Court of Appeals for the Fifth Circuit to the Supreme Court of the United States, hereby requests the Clerk to incorporate the portions of the record into the transcript of the record on such appeal, which are hereinafter indicated, to wit:

1. Copy of each transcript of record as filed in the United States Circuit Court of Appeals for the Fifth Circuit under Nos. 12,117, 12,118, 12,119, 12,120, 12,121, 12,122, 12,123, 12,125, 12,126.

2. Printed transcript of record of the United States Circuit Court of Appeals for the Fifth Circuit, No. 12,116 entitled, "Lionel G. Ott, Commissioner of Public Finance and Ex-Officio City Treasurer, Appellant vs. DeBardeleben Coal Corporation, Appellee, which was used by the United States Circuit Court of Appeals for the Fifth Circuit as the record in these nine cases, pursuant to the stipulation of counsel and Order of the United States Circuit Court of Appeals.

3. Entry of Argument and Submission of the United States Circuit Court of Appeals for the Fifth Circuit in each of the following numbered cases, Nos. 12,117, 12,118, 12,119, 12,120, 12,121, 12,122, 12,123, 12,125, 12,126.

4. Opinion of the Circuit Court of Appeals for the Fifth Circuit rendered March 5th, 1948.

5. Judgments entered by the United States Circuit Court of Appeals in each of the following numbered cases Nos. 12,117, 12,118, 12,119, 12,120, 12,121, 12,122, 12,123, 12,125, 12,126.

6. Petition for Rehearing filed in the United States Circuit Court of Appeals for the Fifth Circuit in the following numbered cases, Nos. 12,117, 12,118, 12,119, 12,120, 12,121, 12,122, 12,123, 12,125, 12,126.

[fol. 412] 7. Order of the United States Circuit Court of Appeals for the Fifth Circuit dated April 13th, 1948 denying rehearing in the following numbered cases, Nos. 12,117, 12,118, 12,119, 12,120, 12,121, 12,122, 12,123, 12,125, 12,126.

8. Petition for appeal to the Supreme Court of the United States by Lionel G. Ott, Commissioner of Public Finance and ExOfficio City Treasurer, of the City of New Orleans and George Montgomery, State Tax Collector for the Parish of Orleans.

9. Assignment of Errors, filed by appellants with their petition for appeal.

10. Statement as to Jurisdiction filed by appellants with their petition for appeal.

11. Order allowing appeal signed by Mr. Justice Jackson on July 9th, 1948.

12. Citation on appeal.

13. Acknowledgment by counsel for appellees of service of the following:

(a) Copy of the petition for and the order allowing the appeal.

(b) Copy of the assignment of errors.

(c) Statement as to Jurisdiction.

(d) Citation to Appellees.

(e) Statement directing attention to the provisions of Paragraph 3 of Rule 12 of the Rules of the Supreme Court of the United States.

14. Bond of appellants on appeal.

15. Statement of appellees opposing jurisdiction and motion to dismiss or affirm.

16. Praeceptum as to record by appellants with acknowledgment of service by counsel for appellees.

Bolivar E. Kemp, Attorney General for the State of Louisiana; Carroll Buck, First Assistant Attorney General; Henry G. McCall, City Attorney for City of New Orleans; (Signed) Henry B. Curtis, First Assistant City Attorney; Alden W. Muller, Assistant City Attorney; Howard W. Lenfant, Special Counsel; (Signed) Henry B. Curtis; (Signed) H. W. Lenfant.

Service acknowledged.

July 30, 1948.

(Signed) Arthur A. Moreno.
Atty. Appellees

[fol. 413] Clerk's Certificate to foregoing transcript omitted in printing.

[fol. 414] SUPREME COURT OF THE UNITED STATES

APPELLANTS' STATEMENT OF POINTS TO BE RELIED UPON AND
DESIGNATION OF THE PARTS OF THE RECORD TO BE PRINTED—
Filed August 27, 1948

[fol. 415] Comes now the appellants in the above-entitled causes, and submit the following as their statement of the points upon which they intend to reply in these cases:

1. That Act 59 of 1944 of the Legislature of Louisiana actually fixes the situs in Louisiana of the portion taxed of the watercraft of the three appellee barge lines herein.

2. That there is no prerequisite in said Statute that a taxing situs for this equipment must first be found in Louisiana to enable that State to tax.

3. That all that is required under Louisiana law, to allow Louisiana the right to tax, is the showing that these appellee interstate water carriers operate in Louisiana continually throughout the year; and that such a showing has been indisputably made in these cases.

4. That such taxes have been assessed and collected on a proportionate mileage basis in accordance with Louisiana law.

5. That the Circuit Court of Appeals erred in holding that a taxing situs need be shown to allow New Orleans and Louisiana to collect its share of the taxes on these tow-boats and barges when the Louisiana Statute (Act 59 of 1944) specifically provides that the proportionate tax is collectible upon a showing that respondent barge line companies run their lines into Louisiana, which is admitted, and no actual situs need be shown as such, to collect these taxes under the Louisiana Statute.

6. That the Circuit Court of Appeals therefore erred in applying the law of situs in these cases.

7. That the Circuit Court of Appeals erred in not applying the clear and unequivocal provisions of the Louisiana Statute (Act 59 of 1944) in these cases, which provisions hold that the Parish or Municipality in Louisiana in which these interstate barge lines operate shall be the taxable situs in Louisiana of this property.

8. That the Circuit Court of Appeals erred in not applying the proportionate rule of taxation as to mileage in these cases as called for in the Louisiana Statute.

9. That the Circuit Court of Appeals erred in nullifying the clear provisions of the Louisiana Statute and in effect holding that these provisions of the Louisiana Statute violate the due-process-of law clause of the 14th Amendment of the Constitution of the United States.

[fol. 416] 10. That the Circuit Court of Appeals erred in holding for respondent barge lines in these cases decreeing these taxes illegal and invalid.

11. That Act 59 of 1944 of the Legislature of Louisiana is constitutional, is not repugnant to the provisions of the Constitution of the United States, and that Louisiana and its municipalities have the right to their share of ad valorem taxes on the watercraft of these appellee interstate carriers under Louisiana law, as collected in these cases.

And the appellants herein designate the entire record, as filed in this Court to be printed, with the exception that the following be omitted as being unnecessary for the consideration of the points herein relied upon:

1. Transcript of record as filed in the United States Circuit Court of Appeals for the Fifth Circuit under Nos. 12118, 12119 12120, 12121, 12122, 12123 and 12125.

2. The balance of the transcript of record as filed in the United States Circuit Court of Appeals for the Fifth Circuit under No. 12126, except the bill of complaint the answer, therein; said bill of complaint and said answer being herein designated to be printed as being necessary for consideration of the points herein relied upon.

3. From the printed transcript of record of the United States Circuit Court of Appeals for the Fifth Circuit, under No. 12116 entitled, "Lionel G. Ott, Commissioner of Public Finance and Ex-Officio City Treasurer, appellants vs. DeBardeleben Coal Corporation" omit *only* the following:

<i>Description</i>	<i>Page of Said Printed Transcript</i>
COMPLAINT	6, 7, 8, 9, 10.
ANSWER	10, 11, 12.
OPINION	Beginning Paragraph (5) on page 35 and continuing through pages 36, 37, 38, 39, 40, 41 through the first two paragraphs of Page 43.
OPINION	Beginning third paragraph Page 56 through Pages 57, 58, 59, 60, 61, through the second paragraph on page 62 (line 13).
FINDINGS OF FACT	From paragraph numbered 5 (being the third paragraph on page 63) through paragraph numbered 14 on page 64.
CONCLUSIONS OF LAW	Page 66 beginning with paragraph #d 6, (being the third paragraph on page 66) continuing through paragraph 10 at top of page 67. Pages 68, 69.

JUDGMENT**1944 ASSESSMENT****VALUATION SHEET****[fol. 417] TESTIMONY****OF HENRY****DEBARDELEBEN****TESTIMONY OF ALBERT****WADE****TESTIMONY OF E. G.****LOUIS GUEDRY**

Pages 69 and top of page 70.
Beginning second paragraph
page 76 through pages 77, 78,
79, 80, 81, 82, 83, 84, 85, 86, 87.
Beginning second paragraph
on page 87, through pages
88, 89, 90, 91 through first
three paragraphs of page 92.
Beginning fourth paragraph
on page 92 through eight
lines top of page 93.

Appellants designate all other portions of the record, as filed in this Court, as being necessary for such consideration.

Respectfully submitted, Bolivar E. Kemp, Attorney General for the State of Louisiana; Carroll Buck, First Assistant Attorney General; Henry G. McCall, City Attorney for the City of New Orleans; Henry B. Curtis, First Assistant City Attorney; Alden W. Muller, Assistant City Attorney; Howard W. Lenfant, Special Counsel; Counsel for Appellants.

Service of the foregoing Appellants' Statement of Points to be Relied Upon and Designation of the Parts of the Record to be Printed, on behalf of each of the appellees herein, is acknowledged this 26th day of August, 1948 A. D.

Arthur A. Moreno, Counsel for Appellees.

[fol. 418] [File endorsement omitted.]

[fol. 419] SUPREME COURT OF THE UNITED STATES

ORDER NOTING PROBABLE JURISDICTION—October 11, 1948

The statement of jurisdiction in this case having been submitted and considered by the Court, probable jurisdiction is noted.

Endorsed on Cover: File No. 53,246. U. S. Circuit Court of Appeals, Fifth Circuit. Term No. 244. Lionel G. Ott, Commissioner of Public Finance and Ex-officio City Treasurer of the City of New Orleans, et al., Appellants, vs. Mississippi Valley Barge Line Company, American Barge Line Company and Union Barge Line Corporation. Filed August 25, 1948. Term No. 244 O. T. 1948.

(9179)